

Saturday Night

Canada's Magazine of Business and Contemporary Affairs

NOVEMBER 25TH 1961 20 CENTS



Germany Looks Eastward Once Again

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Saturday Night

VOL. 76 NO. 24

ESTABLISHED 1887

WHOLE NO. 3405

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INSIDE STORY

THE COVER: A re-armed Germany faces its historic eastern frontier.

In all the uproar over Russian bomb-testing and bomb-rattling the position and policies of today's Germany are often overlooked. Two SN writers, **Anthony West**, New York correspondent, and contributing editor **Kenneth McNaught**, examine these; they contain, it is felt, a real and continuing danger to the peace of the world.

Everyone knows that one of Prime Minister **John Diefenbaker's** preoccupations these days is with the next General Election, currently prophesied for the Spring of next year. In the meantime a number of well-documented splits have occurred between members of his Cabinet; from Ottawa **Paul McGrath** analyzes the possible effect of these on Tory party fortunes and how the PM's house must be put in order before facing the voters.

The growing field of air cargo has attracted national interest recently due to a Cabinet split (see above) as to whether TCA should purchase the Canadian-made CL-44 air freighters or the U.S.-made DC-8Fs which it prefers. **Harry McDougall** tells how the airline operators approach cargo expansion as a valuable supplement to passenger income.

Donald Gordon, CBC's London correspondent reports to SN from Ghana. He feels that despite the effect of widespread criticism of **Kwame Nkrumah's** repressive legislation the country may yet be saved as a Commonwealth member.

Pension funds have become big business and big financial business is increasingly involved in their administration. **Frank Drea**, labor specialist, probes some of the conflicts of interest.

Raymond Rodgers devotes his OTTAWA LETTER to an examination of the Tory mind of Publications Commission Chairman **Grattan O'Leary** and peers behind the apparent meaning of the Report . . . in BOOKS **Kildare Dobbs** reviews **Henry Miller's** long-controversial *Tropic of Cancer*, once again in the news since it is freely available in the U.S., partially available in Canada and banned by the Canadian Customs authorities.

SATURDAY NIGHT is published every second Saturday at 73 Richmond St. West, Toronto 1, Canada, by Fengate Publishing Co., Ltd. President, Arnold Edinborough; Secretary-Treasurer, Harold R. Cook; Vice-President, Circulation, Arthur Phillips. Director of Advertising: Victor Allen. Branch Office, Suite 707, Drummond Building, 1117 St. Catherine St. West, Montreal. Representatives: Los Angeles, Lee F. O'Connell Co., 111 North La Cienaga Blvd., Beverly Hills, Cal.; San Francisco, Theodore B. Hall, Lee F. O'Connell Co., 681 Market St.; London, Eng., Dennis W. Mayes Ltd., 69 Fleet St., E. C. 4. **Subscription Prices:** Canada \$4.00 one year; \$6.00 two years; \$8.00 three years; \$10.00 four years. Commonwealth countries and U.S.A. \$5.00 per year; all others \$6.00. Newsstand and single issues 20c. Authorized as second class mail, by the Post Office Department, Ottawa, and for payment of postage in cash.

PICTURE CREDITS: Cover, Miller Services; Page 9, Wide World, Wilfred Funk, Inc.; Pages 10, 11, Miller Services, Wide World; Pages 2, 13, 14, Miller Services; Pages 15, 16, Capital Press; Page 17, Miller Services; Page 18, Wide World; Page 20, Canadair; Page 25, Johnston; Page 27, Redl; Pages 30, 31, Warner Bros., Lion International; Page 36, Wide World; Page 44, Wide World.

Letters

Jacobite Plot

The basic contention of your correspondent, G. Munro [Letters, SN Oct. 28]—that the Jacobite Rebellions of 1715 and 1745 were intended to restore the House of Stuart to the British throne not create a republic—is absolutely correct, but Bonnie Prince Charlie could not have become king until the death of his father, James III, the Old Pretender, in 1766. Prince Charles was simply acting for his father in 1745.

An interesting footnote to the Jacobite story is the scheme concocted in 1774 by parties in Boston, of all places, to put Prince Charles on the throne of the United States! The abortive plan at least provided Lord Tweedsmuir with the theme for his short story, *The Company of the Marjolaine*.

Carleton University JOHN S. MOIR
OTTAWA Dept. of History

Unrepentant Eric

I note that your correspondent, G. Munro, [SN Oct. 28] raises a doubt as to whether or not Stuart McKinnon, author of "Let's Abolish the Crown in Canada", is a Scot and presumably he will raise an identical query with respect to MacKinnon's sole supporter, Ian MacDonald, of North Vancouver [SN Sept. 30]. I'll risk a wee wager of a bawbee to a bawbee both are Scots.

Munro's references to James F. E. Stuart and Bonnie Prince Charlie omitted to mention that to the majority of people they were known as the Old and Young Pretender respectively.

With regard to the claim that "Eric" is a Scots name, the only work presently available to me is a Victorian volume of Norse tales for the children. The authoress refers to "Eric the Red" as the discoverer of America (the first un-American activity?), to "Eric the Bold" of Stavanger, "Eric the Bald" of Kirkeness and to a miserable Saxon chieftain, "Eric the Threadbare", who alone has the ring of the authentic.

This book, however, did not inspire my parents. The name was suggested to them by an aunt with prophetic insight, who had read *Eric or Little by Little*.

The only "Roderick" who springs to my mind was no Scot but a pretender to the Visigoth throne at Toledo in 710. He was a skilled intriguer and op-

portunist and Scots admirers may have taken the name back to Scotland.

I feel some surprise that Munro accepts the hoary legend that Victoria is a Sassenach stronghold. This lovely city was overrun years ago by prairie Scots and the dwindling band of Sassenachs, if not actually in hiding, live in seclusion, appalled by the price of Scotch and a world going steadily to the dogs.

GANGES, B.C.

ERIC A. ROBERTS
(unrepentant)

Pointed Points

Regarding your "Point of View" by Harry McDougall concerning the unfairness of the points system [SN, Oct. 14] I do not agree with this presentation.

Despite Smith's bravado he undoubtedly missed his car and will be more careful in future, if for no other reason than to avoid being deprived of the use of his car.

If Jones were the careful driver suggested and a responsible husband and father, he would not ignore speed limits in restricted areas and thus would avoid his speeding offences. The several points he lost for other minor offences, would indicate that Jones cannot be described as "careful", just skilfull and lucky.

McDougall too, has a low opinion of speed restrictions. This article sounds like the "beef" of some careless, habitual speedster, who is further annoyed by some Smith type who does not cry in his beer.

This is a good law. Jones deserves his punishment and, it is hoped, will mend his ways. In addition we need vehicle inspection for roadworthiness every six months, and an immediate start on the driver re-testing program.

This would force Jones to spruce up on his driving habits. If his job requires the use of a car, it is time he appreciated the fact that driving is a privilege, and not an absolute right.

NORTH GOWER, ONT. MORLEY A. CRAIG

Happy Britain

While enjoying most of your articles, we do not like your ones on England as being too pessimistic and misleading.

We spent the summer in Southern England and found among other things:

(1) The farmers were definitely prosperous, more so than many Canadian farmers, due to a realistic price support.

(2) Farm machinery cheaper than in Canada, also boots and most clothing cheaper and better quality.

(3) Hotel accommodation good and reasonable (they did not force TV and telephones into every bedroom and charge for it).

(4) National Health has come to stay and has the general support of the people.

As for joining the Common Market, Canada has helped force Britain to take this step by imposing excessive tariffs on British goods. If you do not believe this, step down to your local Customs Office and find out the tariffs charged. We would like you to publish an article on "The high cost of manufactured goods and the high cost of living in Canada".

We cannot believe it is all due to labor cost, but partly due to excessive manufacturers' profits and handling charges and as for quality and durability in clothing . . . well!!

PINE LAKE, ALTA. R. T. BECKINGSALE

Indirect Ride

As A. B. Hogg is clearly interested in the intricacies of language, perhaps he will forgive me if I point out some flaws in his arguments. [Letters, SN Oct. 28]

To say, "ride in the bus", does not make bus the indirect object of the verb—it is the object of the preposition "in". Moreover, an indirect object is only allowable by omitting the preposition "to", as, "He gave his mother a rose." The object of a verb is acted upon by that verb. The rider of a horse controls its movements, so the equivalent for a bus is the driver, not the passenger.

Second, when dictionaries give examples, distinctions are seldom made between regular grammatical constructions and idioms, as anyone who tries translating into another language knows. Expressions like "stand his ground", "sit a horse", "walk a tight-rope", etc., are highly idiomatic, and belong to the jargon of sport.

One does not sit a chair, or stand a

box. The extended use of idioms is one of the devices for creating humor in books like *1066 and All That*.

Third, while the enrichment of modern languages is both desirable and necessary if they are to survive, distortion and misuse are another matter, and lead to endless confusion and misunderstanding. For instance, if the best people in Hull quite properly ride the bus, then it must be conceded that the Greeks quite properly rode the wooden horse into Troy—but they didn't in the horse sense, only in the bus sense. So what becomes of the Trojan Horse metaphor?

The whole of world literature would in time be eaten away by such corruption. Man's skill with language, as with all the arts, should increase with time, not be blunted by the familiarity which breeds contempt.

HULL

M. G. BARNES

Something to Read

I agree with everything J. W. Nuttall says. [Nothing to Read, SN Oct. 28] He has obviously taken care to get good opinion. There is only one question—and it is really little more than a quibble—and that is the matter of the practicality of establishing central libraries to serve the rural schools.

A distance of half a dozen rural miles is enough to cut any central library from effective service with surrounding farm or lumbering communities. To bring an adequate collection of books with trained librarian's services to a one-room school with 20 pupils in all eight grades would tax the financial resources of the area producing and educating those children to the limit. It often seems to tax the resources of much larger communities to the limit.

The regional libraries of Ontario operate on the principle that a bookmobile is, in effect, a central library. It has an advantage over most central libraries in the province in that it moves from school to school and town to town. In many cases it can carry more books than some of the central libraries, and in any case it brings a selection made by a trained, or professional, librarian. The services of this librarian are available to all schools and towns in the region.

I wonder how many towns the size of Moose River (assessment \$1,800) have the services of a central library of 1,000 volumes? True, the Northeastern Regional Library bookmobile only takes it to town twice a year, and on flatcar at that. But there it is. Even here there are no roads this particular central library (mobile), through the courtesy of the Ontario Northland Rail-

way, manages to get to such places as the Hydro generating station in from Fraserville and the growing port of Moosonee.

A better system of serving rural schools and villages does not seem to be available. The permanence of the city library may be lacking, but the stimulating romance of the arrival of the bookmobile is going to remain with hundreds of children now growing up in our country.

KIRKLAND LAKE

S. D. NEILL
Librarian.

Sales Pitch

Being a Canadian I don't want to see our magazines lose out to American publications. I am sure there is danger of that because of the aggressiveness of Americans.

A day or so ago the phone rang and a female voice started in on a pitch for *Life*. I interrupted by complaining *Life* was an American magazine. She said well, we can supply you with Canadian magazines, but most people find them uninteresting. How is that for a dirty pitch? These people stop at nothing to gain their ends.

We frequently have high-pressure stuff fired at us through the mail from *Time*, *Reader's Digest* and perhaps *Life*, I am not sure, but little from Canada except *Maclean's*.

May I suggest you declare war by grouping with Maclean-Hunter and other Canadian publications into a high-pressure, phone sales of Canadian material. Congratulations to you for keeping SN and *Liberty* for us. Success too.

VICTORIA

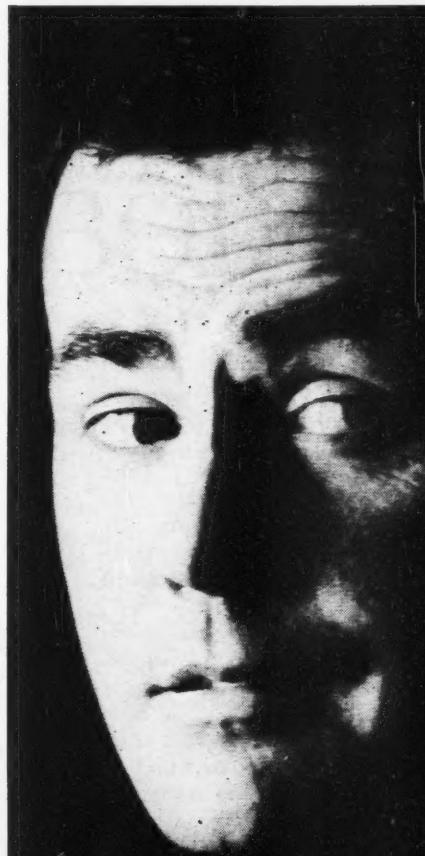
R. G. GOOD

Winnipeg Plan

In his Ottawa letter of October 28 Raymond Rodgers writes of the futility of planning in regional areas which suffer from political disunity. Rodgers makes a valid point. He errs, however, in using Greater Winnipeg as one of his examples of urban areas which, in his words, "obviously require more area planning".

Since January 1 of this year Greater Winnipeg has had a metropolitan government charged with the responsibility (under the Metropolitan Winnipeg Act) of promoting orderly growth and economic development of the metropolitan area "in a manner most advantageous to, and that will best promote those amenities that are essential to, or desirable for, the well being of the inhabitants . . .".

Acting under this authority, the Metropolitan Corporation of Greater Winnipeg is currently producing a



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Master Development Plan which will co-ordinate every aspect of development of this urban area of some 500,000.

The Plan will co-ordinate all long-range planning projects up to and beyond the next 20 years including sewage, water, hydro and other utilities, the preparation of a transportation plan dovetailed to the development of the community and the provision of more park lands, riverside drives and other open spaces. All of these major aspects of urban development will be carried out with central control over the use of land.

Metro in Greater Winnipeg has sole jurisdiction over the zoning of land, the issuing of building permits and the inspection of buildings including plumbing and electrical work. It has, in short, the authority to prepare and to implement a plan and, also, the authority to protect it.

As Rodgers argues, political unity is unquestionably needed in the field of area planning. In view of the foregoing points, however, it is regrettable that he should use Greater Winnipeg as an example of such a need when Greater Winnipeg, alone of all the urban areas in Canada, has acted so decisively to solve the problem.

ARTHUR FLETCHER
Information Officer
METROPOLITAN CORPORATION OF
GREATER WINNIPEG

Non Co-Op

Hats off to E. P. Taylor for saying what needed to be said to the Canadian Chamber of Commerce. [Business Hears Some Unpleasant Facts, SN Oct. 28].

It might be news to the CC of C, but there are a few individuals among organized labor who have cultivated the habit of trying to understand the economics of our country, and it should be quite obvious to anyone of normal intelligence, that until the three agencies responsible for the health of our economy, Government, Management, Organized Labor, can co-operate on the problems confronting us, any solution thereof is but temporary. . . .

The last paragraph of the article is really the punch line, and is no tribute to the perspicacity of the CC of C "Canada began her slow downward drift into recession in 1956. In October 1961 the CC of C set about trying to see what the trouble was all about."

It is to be hoped that we can take a leaf out of the book of some of the European communities, and get started on the road to some real and lasting prosperity.

TORONTO

W. E. BENNET

SATURDAY NIGHT

Comment of the Day

Strong Light on Mr. K.

NIKITA KRUSHCHOV has been as busy as a bee recently and what he has done is of the utmost significance:

- He carried the 22nd Congress of the Russian Communist Party with him into a decision to remove the body of Stalin from the Mausoleum in Red Square. This, following his slashing attack on Stalin at the 20th Congress in 1956, shows that Stalin is soon due to be erased from the collective Soviet memory. Within a year or two the troika of Soviet Communism will be Marx-Lenin-Khrushchov.

- To show that his influence extends to the living as well as the dead he also arranged for the expulsion from the Party of three of Stalin's best known advisors — Molotov, Malenkov and Kaganovich, all of whom had already been shorn (since 1957) of their former power.

- He nominated three other men who will serve as his inner executive committee — Koslov (the new second in command), Suslov and Kuusinen.

- He enlarged the new central committee of the Party to 175 members, nearly two-thirds of whom were fresh to such influence and authority. In this group there were 12 Soviet Marshals—four times as many such high ranking officers as had been included before.

- In announcing the new Communist Party program [seen SN: Nov. 11] he deliberately flouted the Chinese delegates and, over the matter of the recalcitrant Albanians further snubbed the Chinese by having the Soviet Ambassador to Peking savagely attack the Albanians attending a rally there marking the anniversary of the 1917 revolution.

- Having thus shown his power within his own Party and within his own sphere of influence, he calmly cocked a snook at the rest of the world by exploding the biggest, most terrifying, most lethal bomb ever constructed by man's perverted ingenuity.

- At the same time he served notice on the West that he would not press for an East German Treaty immediately, leaving the question of Berlin still open to negotiation.

All this seems to show, when taken with the newly announced Communist program, that Khrushchov is sure of his

ground at home and fairly certain of the line he wants to follow abroad.

Obviously, his postponing of the Berlin decision works in his favor. The East Berlin border is sealed so the obnoxious spectacle of East Germans fleeing to the West has been removed. Thus

Fall In for Fallout

"The Army has reports of only 5,000 volunteers signed for the first of four six-week courses in national survival training . . . Authorities are pessematic (sic) about reaching 25,000-man quota in time."
—News item, Toronto "Globe and Mail".

WHEN THE NEED for recruits is emphatic Volunteering should never be static:
The brass, not content
With twenty per cent.
Has reason to feel pessematic.

VIC

Berlin can be left to simmer for a little while until Khrushchov wants to bring it to the boil again.

For it is clearly his intention to keep the West in a state of jitters and nerves hoping that he can divert us from what our policy should be — that of being strong and united in our military policies and equally strong and united in our economic policies.

And to hedge his bet on Berlin Khrushchov has delivered what is, in effect, an ultimatum, to Finland. If Finland doesn't agree to its terms, that area can become just as volatile as Berlin. It is noticeable too that Khrushchov had the ultimatum delivered whilst the President of Finland was visiting North America as if to show deliberately that flirting with the West when your country is so far in the East is disastrous.

An attempt to impose Russian authority or influence on Finland will stir up all the very best sentiments in the West since Finland has made such a wonderful showpiece of independence against Russian spite and pressure.

The parallels between Khrushchov's diplomatic thrusts over Berlin and Finland should not be lost to anyone who remembers the events leading up to the invasion of Poland by Hitler. When Hitler struck against Poland he was striking on the most favorable ground

to himself and the most unfavorable to the Anglo-French alliance of those days. Khrushchov looks as though he is setting up the same kind of situation 25 years later.

Khrushchov's busy-ness needs to be closely studied by Western diplomats and an agreement reached on the general principles necessary to combat his various schemes before they are allowed to become ripe for his plucking. For there is no doubt whatsoever that he now emerges as the strongest, toughest, most ruthless and most ingenious man that the West has had to contend with since the end of the second World War. And his purpose still is to "bury" the West.

O'Leary Revisited

THE O'LEARY COMMISSION report is still coming in for some lively comment across the country. Most of the speakers employed by the CBC on such programs as *Critically Speaking* have been against it and some staff members of the CBC have been eloquent in its condemnation.

Why those who sit behind the enormous tax buttress of the CBC and under the protective umbrella of the BBG should be such vocal supporters of free publishing enterprise is not clear. But perhaps nothing so fosters a love of competition amongst others as a completely protected uncompetitive position for oneself. After all, not very many people can refuse their cake and eat it too.

For those who, like SATURDAY NIGHT, have to rely on advertising revenue to pay their contributors there is some comfort in an address given at the opening of the new *Reader's Digest* building in Montreal by the Postmaster General William Hamilton.

After pointing out that his presence with the *Reader's Digest* should not be linked in any way with the implementation (or lack of it) of the O'Leary report, he went on to say:

"The significant fact of the report, which has been missed by so many, is that its recommendations were not made in any spirit of animosity toward United States publications and Canadian editions of United States publications, but in a positive attempt to find measures which would enable Canadian

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publishers of native Canadian magazines to remain in operation and new Canadian publications to develop

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"From time to time segments of Canadian industry itself are required to bear a changing load, and at times these increase the burden a particular industry, or section of an industry, must carry. Such action is certainly not because a government is antagonistic toward one group of Canadians as against another such group — it is because, when viewed in totality, the national interest demands such action."

This is the most positive statement—and the most heartening—which has yet come from the Cabinet on this matter.

Fishes and Foxes

CANADA'S PENCHANT for doing things by dribs and dabs appears the only explanation for the recent Resources for Tomorrow Conference in Montreal. This is not to say that the Conference itself was a waste of time or that it should not have been held. We are in desperate need of some basic economic thinking and planning in this country. But surely we can see beyond fish, foxes and trees.

Of itself, the Conference may well have produced some useful ideas on conservation. But the suggestion by Resources Minister Dinsdale that it was an "unique and epochal event" can be treated only as political enthusiasm. To suggest that the Conference might serve as a blueprint for a national development policy would be laughable if it were not, indeed, so probable.

Take Them to Court

THREE YEARS AGO, at the Forty-Eighth Conference of the International Law Association, a speaker suggested that it might be possible for a country to sue for damages another which has polluted the air with fallout from nuclear tests.

Damage there undoubtedly is. On September 21 last, the fallout average across Canada was close to 197 disintegrations per minute per cubic metre of air. In Fort William, however, it was 1,000 such disintegrations. Such a concentration is indubitably noxious. It must, for instance, result in some increase in the number of stillborn or

deformed children, there will be increased liabilities for parents who will have to pay more to look after such children.

Responsibility can be pinned down. In September and October of this year, the only atmospheric nuclear tests (that is, the only ones which could produce fallout) were conducted by the Soviet Union.

The difficulties — and we admit readily that for the present they are clearly insurmountable — are procedural. The Soviet Union has never allowed its disputes to go to the International Court of Justice. And if the City of Fort William tried to sue in Canadian courts, the USSR would certainly not waive the immunity from action which sovereign states possess.

Still, the Soviet Union should be taken to court by Canada. It would be an effective protest against a totally inadmissible and callous trespass upon our rights. And the inevitable refusal of the Soviet Union to submit to the jurisdiction of the International Court of Justice would only show up again Moscow's utter disregard for international fair play.

Negative Approach

WITH THE REST of the world we rejoice at the selection of a new Secretary-General of the United Nations — even in an acting capacity. Whether he will be forced to drive a Russian troika, father administrative quintuplets or shoot a seven in internal dicing remains to be seen. In the meantime, as a long-time advocate of positive UN action, we somehow wish that his name could have been U-Than instead of U-Thant.

Good Example?

WHETHER IT IS the presence of Roy Thomson in Britain's publishing circles or the presence of George Drew in diplomatic ones, there is no doubt that Canada is now fairly regularly mentioned in the British press.

The last such reference we saw was in the *Times*. In a special article on Cyprus, the *Times* correspondent said:

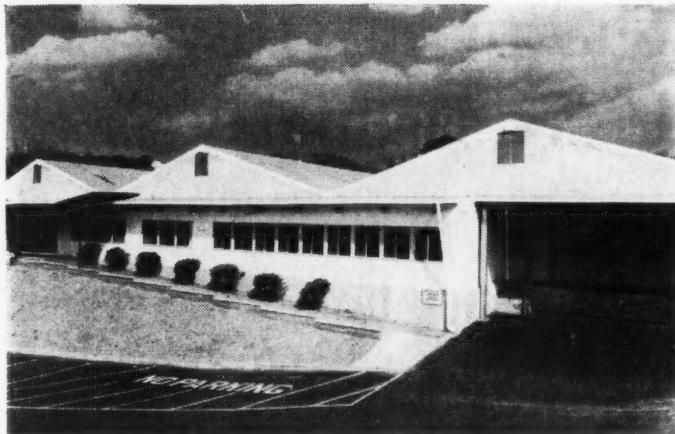
"To the visitor, the sad thing is that there is no thought of trying to build a nation. 'Greeks will always be Greeks and Turks will always be Turks', said Archbishop Makarios when I saw him. Could that not be changed in course of time, as it was changed between English and French in Canada? The Archbishop spread his hands".

We know some other archbishops — not in Cyprus — who might spread theirs too.

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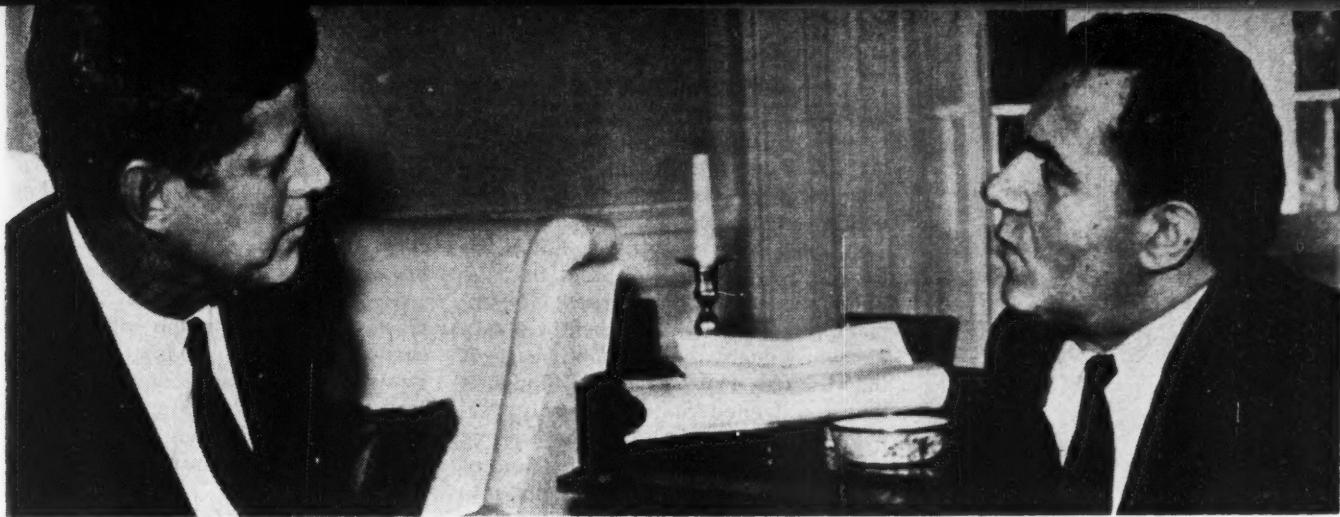
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by **Corby's**



Kennedy's talks with Gromyko proved U.S. can only deal with Russia over Berlin on basis of German initiative.

Munich and Some Old Friends:

Germany Looks Eastward Once Again

by Anthony West

EVER SINCE President Kennedy announced his readiness to negotiate with Premier Khrushchov over Berlin the American air has been resounding with the cry "another Munich." The theme has been plugged by every New York newspaper from the *Times* to the *News*, by most news magazines and weeklies, and by the networks.

Henry Luce, of *Time*, has had the notion of bringing out a new edition of *Why England Slept*, the thesis on the Munich crisis which the President wrote when he was at Harvard. To make sure nobody misses the point there is a caricature of Kennedy as a sleeping lion on the cover of the reprint.

This campaign reached a crescendo when the President and Gromyko got together at long last, and editorial writers from end to end of the country begged Kennedy not to repeat Neville Chamberlain's mistake. No one concerned in all this heavy breathing down the President's neck seems to have remembered just what the error the English Prime Minister committed was.

At Munich Hitler got all he wanted from Chamberlain because the English and French right-wingers and conservatives behind him were more afraid of Russia and Communism than they were of Germany and Fascism. It is significant that the people who were most delighted by Munich at the time are now the most vociferous in crying out against concessions to Russia on the German question.

There is food for thought, too, in contemplation of the action the United States took at the time of Munich. It took no action. It did nothing when Czechoslovakia was later dismembered, and it again did nothing when Poland was overrun. It still took no action when Denmark, Norway, Belgium, Luxembourg, Holland, Yugoslavia, and Greece, were invaded and enslaved.

Russia was attacked in June 1941,

and in December, after the United States had declared war on Japan, Germany declared war on the United States. This was three years and three months after Munich and, although Roosevelt had been using all his considerable powers of persuasion to get a preparedness campaign going, the United States was not ready to take part in any major warlike operation for another full year.

What Roosevelt was contending with was a fact of demography. There are more German-Americans than any other kind of American. They came in greater numbers, they bred faster, they retained more cohesion, they worked harder and became more solidly prosperous, and they exerted and exert more social influence than any other single racial group. They are now the dominant element in the society as a whole and play the decisive role in shaping its attitudes.

They were able to keep America neutral through the three-year period after Munich, and in so doing they demonstrated that it has become impossible for any U.S. President to follow an anti-German policy overtly, or possibly at all. They are heirs to the traditional German hatred of Slavs in general and of Russians in particular, and they have been able to legitimise their inheritance as anti-Communism.

As a solidly anti-Russian, anti-Communist group the German-Americans find automatic allies in the Roman Catholics. The hierarchy inherits the

JOHN F. KENNEDY *Why England Slept*

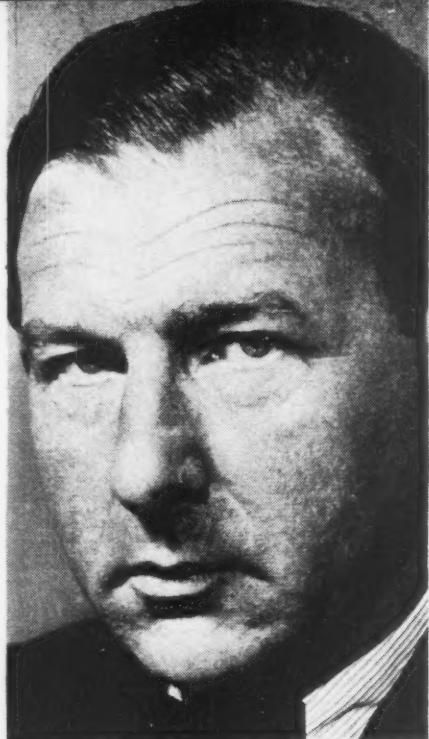
"...a book of painstaking scholarship...mature understanding and fair-mindedness...timely and penetrating conclusions..."

New York Times, 1940



With a New Foreword by HENRY R. LUCE

Book jacket: A Kennedy caricature?



Grewe: An advisor to von Ribbentrop.

traditional Roman hostility to Russia as the protecting power of the Greek-orthodox schismatics, and both the priesthood and the flock are naturally against atheistic Communism.

By a curious historic accident a third group, the Americans of East European origin, have a parallel alignment. These are for the most part Slavs whose last effective contacts with their homelands date from the era before 1939. They preserve intact the feelings of hostility to Russia based on vivid parental memories of Czarist misrule.

The shattering experience, perhaps the most disgusting and appalling in European history, of German rule from 1939-44, in which more than 30 million people were done to death as a matter of deliberately considered policy, has passed right over their heads. They are only aware of the post-war Russian occupations and they cannot imagine anything worse.

They are immediately responsive to any anti-Russian noises made by campaigning Senators or Congressmen. The politicians, somewhat unrealistically, take their reactions to be those of their East European kinfolk, and they are thus even more influential than their gross numbers alone would justify.

This three-part mass is the effective core of American public opinion today and may actually comprise a majority of the vote. The President became aware that he was running into it head on during the Summer, and when the time came for him to have his talks with Foreign Minister Gromyko he was painfully aware that for him to depart from a pro-German, anti-Russian stand-

pat-on-Berlin policy would be political suicide.

It is no longer in his power to make an agreement over Berlin with Russia. The facts of political life have him nailed to a no-compromise stance.

When Gromyko left for home the President rather wistfully said that the only hope left was that the new Government produced by the recent German elections might be less intransigent than the old. This was a tacit admission that the United States can only deal with Russia over Berlin on the basis of a German initiative. As at the time of Munich, the future has been put into German hands.

Washington resounds to other echoes of the Munich era today. Dr. Grewe, the German Ambassador, was busy then as legal advisor to Hitler's Foreign Minister von Ribbentrop, and he provided much of the legal double-talk which justified the dismemberment of Czechoslovakia, and the carving up of Poland.

In September 1941 he wrote the formal obituary of the USSR in von Ribbentrop's foreign affairs publication. This announced that Russia had ceased to exist as a state and as a nation, and that international law could no longer be applied to it or to its peoples. This could be taken, very naively, as a piece of brag, but the real purpose of the declaration was to clear the way for the massacres of prisoners-of-war and civilians which had already begun, and which were intended to depopulate European Russia as a preparation for its colonisation by Nordics.

Dr. Grewe was still on Ribbentrop's staff when that gentleman, dissatisfied by the tempo of the exterminations in the Ukraine, proposed to foment an uprising, so that the army could be brought in to help the SS to massacre all the Jews, Poles, and Ukrainians in an operation similar to that later arranged to cleanse the Warsaw ghetto.

Service in the foreign ministry in von Ribbentrop's day was not exactly what is understood by "career diplomacy" outside of German circles. Dr. Grewe's post-war return to public life as a lily-white professional diplomat was due to foresight. At the time of Stalingrad, Ribbentrop's ministry sprouted a *Neiderlage* (defeat) section which had the task of seeing its personnel through the crisis of a possible defeat and of making plans for ensuring the continuity of Nazi policy. The personnel were equipped with fake dossiers, (the so-called Persil packets — Persil being the name of the best-known German detergent) which provided them with career records dissociating them from all war crimes.

When Dr. Adenauer had to reconstitute a foreign service he called in a

Dr. Blankenhorn, a Persilized Ribbentrop man who certainly knew all about what was done in Warsaw and who may very possibly have worked with the *Neiderlage* section. He set the Federal Republic up with a diplomatic corps two-thirds of whom had been his colleagues in Ribbentrop's time.

He attached the former SS officer Gustav Sonnerhol to the office of the chancellery as its adviser on foreign affairs under State-Secretary Walter Hallstein. Sonnerhol prepared a directive in 1952 which has been the lodestone of Adenauer's foreign policy ever since.

This document, fully worthy of Ribbentrop himself, called for the concentration of every effort on the exploitation of the cold war, in order to make any agreement between Russia and the United States impossible. Dr. Grewe has been in Washington less than ten years, and in that time he has seen the Sonnerhol policy through to complete success, as complete as that which Ribbentrop achieved before World War II when he drove his wedge between Russia on the one hand and Britain and France on the other.

It may be asked, what was the point of devoting almost a decade of effort to a negative aim? The answer is, of course, that the division of the two powers is the primary aim; the secondary aim, more important, is the achievement of *Befreiung* or literally liberation. Dr. Adenauer announced that this, and not re-unification, was the national goal as long ago as 1952. The question is: What is to be liberated?

The Chancellor has indicated that the territory concerned is Germany as it was in 1937, plus Silesia. This would not only reduce modern Poland to a mere shaving, it would even involve taking over some of pre-war Poland's territory. Adenauer's transport minister Seehofer has called for a similar trun-

ation of Czechoslovakia, with the return of the Sudeten-German areas, plus Bohemia and Moravia, to Germany.

Dr. Oberlaender, a former member of the Adenauer cabinet, (who participated in the massacre of seven thousand civilians in Lvov in two busy days in 1941 when he was an SS man attached to the poetically named Fightingale Battalion) more ambitiously extended the zone of *Befreiung* to the Danube Basin and something loosely referred to as "the European East."

Dr. Robert Ingram, a personal friend of Dr. Adenauer's and a well-known right-wing journalist, has said that Warsaw and Prague would be or should be liberated, along with "all that we have lost." Walter Hallstein, who was the senior diplomatic advisor on the chancellery staff, says that the zone of *Befreiung* goes "up to the Urals."

The vision is no longer described, as Hitler used to describe it, as the Greater Reich, but Nation Europa, a splendid affair which would include the Common Market countries as well as the Slavic East. It would have a population of 550,000,000, and as a matter of convenience and geographic common sense its capital would naturally be Berlin.

No American could be asked to swallow all this, nor do the Germans ask them to swallow the whole dream at one bite. At the start of the attack on Czechoslovakia Hitler only asked for simple justice — fair play and the right of self-determination for the Sudeten-Germans who had been unjustly separated from the fatherland by the wickedness of the Versailles Treaty.

Are the Sudeten-Germans in the picture today? They are. And is the Sudeten-German organisation secretly financed by the Federal Republic? It is. And is the Sudeten-German association led by any chance by a former Nazi who used to belong to Konrad Henlein's *Sudeten Freikorps*? It is, one

Dr. Becher.

And does Dr. Becher maintain a Washington Bureau? He does. And is that run by a former Nazi? It is. Dr. Richard Sallet, a former employee of the late Dr. Goebbels' propaganda ministry runs it. And does Dr. Sallet ask for fair play and the right of self-determination for the Sudeten-Germans who have been unjustly separated from the fatherland by the wicked Russians? He does.

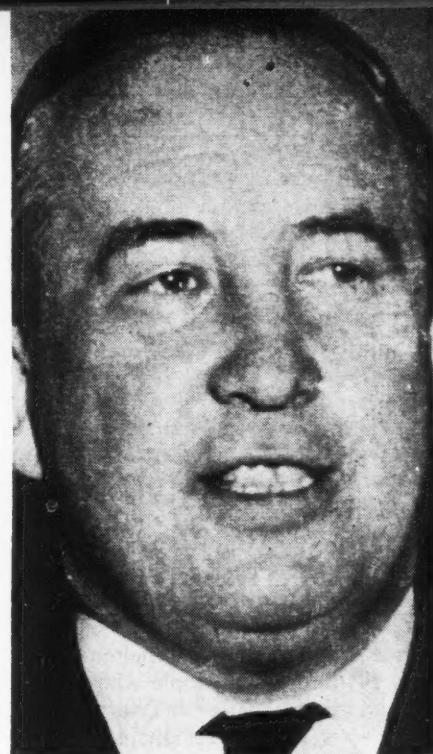
And do American figures in responsible and prominent positions give messages to Dr. Sallet to be conveyed to Dr. Becher for publication in the German press telling the Sudeten-Germans that their friends in the United States will never forget them or their cause? They do.

Dr. Becher's paper, *Volksbote*, which editorially advocates the *Befreiung* policy in its most extreme terms, has in the past few years published messages of encouragement and support from, among others, such men as: Ex-president Hoover, Senators Stuart Symington, Prescott Bush, Homer Capehart, William Proxmire, Karl Mundt, Olin Johnston, Eastland, Ellender, Gore, Byrd, Strom Thurmond, the inevitable Thomas J. Dodd, and Representatives: Speaker John McCormack, Carroll Reece, Walter Judd, John Taber, and Usher L. Burdick, who has the added distinction of having had speeches by the ex-Nazi Dr. Becher read into the Congressional Record.

General Wedemeyer is representative of the group of senior officers who have also joined Dr. Sallet's flock of well-wishers. There is indeed a lot to remind one of Munich and of the men who made it, the Londonderrys and the Astors, Lord Runciman, and the rest, around Washington these days. And there is something else, more primitive, and perhaps more fatal, in the air. All the noodles on Dr. Sallet's elevated sucker list think that they are rationally for freedom against tyranny, and for democracy against Communism, but they are in fact taking sides in the interminable thousand-year war of land hunger which is one of the uglier blots on European civilisation.

"Nature had formed Otto the Great (936-73) equal to the task set by his ambitions", says the Cambridge Shorter Medieval History in its chatty way "— he was also intent on extending Germany and Christianity beyond the Elbe with fire and sword in the Wendish Wars." At his death he had got to the Oder-Neisse line and, as the Cambridge History says, he had re-established the Empire of the West or, as it was later called, the Holy Roman Empire.

It is difficult to look at the map of



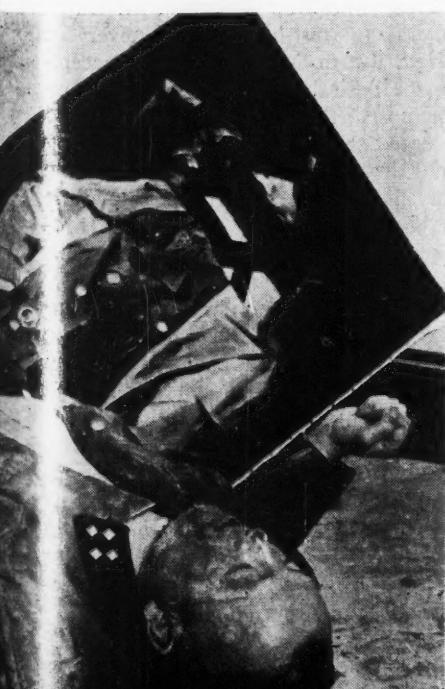
Blankenhorn: Set up diplomatic corps.

his re-created state without a thrill of horror. Its eastern frontier is as near as makes no difference to the line which now serves as the division between Communist Eastern Europe and the anti-Communist West. The realisation that the line which is in question today is the same as that which over the centuries the Germans have been trying to push further East, and the Slavs have been as stubbornly trying to push back towards the Elbe, is peculiarly desolating.

Generations have been eaten up in the struggle, acting and dying like mindless brutes; and for what? It is said that Otto the Great was taking the light of Christianity into pagan lands. The Comte de Séur, who accompanied Napoleon to Moscow, explained that the necessity of defending the free Europe created by the Revolution from Asiatic despotism was behind that incursion.

We now tell ourselves that Communist tyranny is on one side of the wall running through Berlin and democratic freedom on the other. The terms are new, but the wall is on the old boundary, and it is the same old conflict.

It is hard not to suspect that in this Summer and Autumn of lost opportunity, history has overtaken the United States, and that, without knowing it, America has taken up a role in the tragic drama of unreason whose episodes—Lechfield, Lake Peipus, the two Tannenbergs, Poltava, Borodino, Sevastopol, and Stalingrad—have all so far been bloody and, beyond anything else in history, pointless.



Why We Should Not Fight Over Germany

by Kenneth McNaught

A WRITER IN A RECENT issue of a British weekly has offered this very succinct statement of the problem that lies at the centre of the arms race:

"Of the many causes I prefer not to die for I should give priority to the reunification of Germany. I believe I am speaking for the overwhelming majority of the British people when I say that the one clearly good result of two world wars is the permanent division of the Reich."

It is, of course, recognition of the permanence of this division that Russia seeks and the West will not concede.

The gravest danger now lies in our acceptance of the thesis put forward by Adenauer, de Gaulle and the North American press that the callous Khrushchev resumption of bomb-testing is not related solely to the German question; that it is, rather, the final revelation of Soviet imperial ambitions.

In this NATO view the Berlin-Germanies question, while important, is just one of a whole range of political trouble spots in which the West must stand and be prepared to fight "no matter what the cost".

This is simple nonsense. The German problem is not to be compared in importance with any other problem area in the world. Since the Merovingian division of the ancient Frankish Kingdom the peace of the West has depended upon stability in central Europe.



It is still so today and will remain so until China acquires the bomb.

It was, for example, only a few months ago that we were told from Washington that we must be ready to fight to preserve the right-wing regime in Laos. Today we accept the very Laotian government which the United States had previously overthrown. Accommodation is still possible on the periphery; we so far refuse to negotiate in any realistic way in the area which the dominant Western allies know to be definitive. How realistic is this?

A part of realism is to analyse correctly the strengths and weaknesses of your opponent. We know a good deal about the military strength of the Soviet Union — but how accurately do we assess the power of Russian arguments?

In this respect the resumption of testing has shown a remarkable tendency in the West to wishful thinking. When the recent series of Russian tests began we were justly shocked and we assumed that the rest of the world would forget the background of the bomb-testing problem in its rush to condemn Khrushchev. The most extreme example of this thinking in Canada has come from Lester Pearson who seriously proposed an attempt to have the UN declare Russia an aggressor.

But Howard Green committed us to a similar position in his association with the UN resolution which appealed to Khrushchev to call a halt before the 50 megaton peak was achieved. The measure of this commitment was the official distress occasioned by Dr. A. H. Zimmerman's statement that the fall-out danger point would not be reached by the Russian tests.

Now no one, except the governments of the Communist bloc, doubts the reasonableness or the urgency of the request. But in minimizing the arguments behind the tests our leaders and press have greatly strengthened the illusion of a trustworthy West, eager to negotiate treaties and disarmament but faced with an implacable foe who will stop at nothing to gain his ends and who cares not a whit for world opinion.

Even liberal Canadian students of foreign policy have lent their skills to the propagation of this illusion. One of them recently outdid himself when he

likened the advocates of disarmament to the cowardly by-standers in *High Noon* who refuse to help Sheriff Kennedy as he moves boldly forth to meet the black-hatted badman from the Kremlin. Schmalzy drama, perhaps, but this moralistic picture of absolute good versus absolute evil is an exceptionally fragile and even unworthy basis on which to erect a policy.

What is the background that we so easily suppress as we develop our new picture of offended righteousness? To begin with, since 1955 it has been the West that has rejected all proposals of immediate steps in disarmament.

Again, in 1958, after long pressure for the cessation of bomb-tests by such agencies as the Indian government and the Bandung Conference the United States declared that continued testing was necessary to maintain "the security of the Free World." Is this not precisely the argument being used by Khrushchev? Where were the vociferous liberal protesters then?

In 1958 the test score (i.e., number of explosions, of which some were very "dirty" indeed) was: U.S.—169; USSR—55; Britain—21. In March of that year the USSR announced its decision "to discontinue unilaterally tests of any kind of atomic or hydrogen weapons." The United States and Britain nevertheless carried out the tests they had planned.

In August the Conference of Experts at Geneva argued that the problem of policing a test-ban could never be solved. But in September, while accepting the desirability of establishing control posts, the U.S. government also accepted the advice of a group led by Dr. Edward Teller to exclude from the ban all underground tests below the 20 kiloton level (the size of the Hiroshima bomb)—and the test-ban talk produced no result.

During the three years of the voluntary test suspension (broken by the French efforts in the Sahara) everyone realized that the first state to resume testing would suffer heavily in the eyes of world opinion. Khrushchev put on record several times the view that resumption would be a crime against civilization—despite the fact that Russia had initiated the voluntary moratorium.

Resplendent in new uniforms, members of German Guard Battalion display stern faces which twice before have terrorized the world.



German air force boasts U.S. jets.

at a time when she was "behind" in the race.

Unless one assumes that Khrushchev is actually insane there must, then, be compelling reasons for his tossing away such a propaganda advantage. To what extent can we assess those reasons—and still not accept the Goldwater version?

The reasons put forward by Russia are various, but they boil down to two essential ones: the failure to achieve a disarmament treaty, and the failure to gain a German peace treaty. In Soviet eyes these goals are inseparably linked.

Russia argues that in the tortuous history of disarmament negotiations it is the West that has drawn back at each crucial point—in 1955; again on the totality of a test-ban treaty; and in 1959 when Khrushchev proposed "general and complete disarmament" together with any controls the West might wish.

Possibly this was all bluff. But, if so, it was a bluff which the West refused to call. Instead we relapsed into interminable discussions about phased steps of minor disarmament and wrapped the whole question in impenetrable cotton wool.

Again, according to the Russian case, the West has moved steadily towards the full arming of West Germany, and has not repudiated the goal (held unanimously by Adenauer, Strauss, Brandt, Krone and every other West German political leader) of "recovering" the East German lands. The West, in this view, has therefore been preparing military means to upset the *status quo* in the Germanies and incorporate East Germany in the NATO military bloc.

Into this context the Russians fit the Berlin crisis with considerable ease. If they assert, a crisis manufactured by the West because the West requires periodic tension to hold its alliance together and to justify such moves as the \$ billion increase to the U.S. arms budget this year; and even further, that the Pentagon was looking for an excuse itself to resume testing.

One of the most serious difficulties

in analyzing the Western replies to these arguments is that the public does not really know very much more about the origins of our own policy shifts than it does about those of the Kremlin. We start with the assumption that our governments really do want an end to bomb-tests, and to achieve disarmament and peace. But when one gets down to cases there are apparent contradictions.

On disarmament we have failed to test the validity of the Russian offers—especially those of 1955 and 1959. On test-bans we were forced into the three-year moratorium by a Russian initiative, and when the Russians themselves broke the spell this autumn the West met the situation with ambivalence.

First came moral outrage (although the radio-active fallout from Russian testing does not yet equal that from previous British and American tests). Second came the irresistible call for resumption of U.S. underground tests and even atmospheric tests. The Rockefellers and the enthusiasts inside the

settlement in Europe.

Recalling the CIA's role in the Cuba escapade it is not very reassuring to note that the Agency is now headed by one of the chief advocates of American resumption of bomb-testing. At the Senate hearing on McCone's appointment it was recorded that he had condemned his opponents for trying "to create fear in the minds of the uninformed that radioactive fallout from A-bomb tests endangers life."

Beyond this is the impressive campaign to convince the American people that "you too can survive a nuclear war." The President lent his weight to this in the September 15 issue of *Life*—an issue which made the thoroughly irresponsible statement that 97 out of 100 people can be saved in a nuclear assault on the United States.

Irresponsible, because even the "professional" estimates of the Rand Corporation (which supports the campaign in general) predict that a 97 per cent survival rate would have to assume "a



Barbed wire, armed guards, reflect disunity still festering in Berlin.

Administration and the Services will almost certainly win the day, just as did their counterparts in Russia.

In this connection we have obviously much to fear from the growing military dominance in North American life and, particularly from the sharp rightward trend both in American public opinion and government. To the large number of Democratic "hard line" advocates, President Kennedy has added even harder line Republicans: John McCone in the Central Intelligence Agency, Lucius Clay as special emissary to Berlin, Douglas Dillon at the Treasury, William C. Foster in the new Disarmament Agency.

Perhaps, as James Reston recently suggested, this is clever strategy to undercut the strength of Senator Goldwater and the John Birchers; it is certainly not designed to increase the chances of disarmament or of a general

very small attack delivering 300 megatons" exclusively on military targets. The President himself, according to Stewart Alsop, told Congressional leaders that a war would cost 70 million American lives.

The point is that, with the all-out co-operation of Herman Kahn, the Rand Corporation and others who are close to the President, the press is assiduously endeavoring to propagate the idea that a nuclear war is not an impossible concept; that it could be won, and that a majority of Americans could survive it.

But even the evidence in the press is a pale measurement of the real pressures bearing in upon the President. In September, as an example of the groups pressing for a really "tough" policy, the powerful American Air Force Association issued its 1961 policy statement. This association is subsidized

(if not entirely financed) by the aviation-missile industry and represents the views of that military-industrial elite against which even Eisenhower warned in his farewell address.

The statement is a bloodthirsty document whose central theme is stated thus:

"Complete eradication of the Soviet system must be our goal—our obligation to all free people—our promise of hope to all who are not free . . . There is no reason to believe that nuclear weapons, no matter how they may increase in numbers and ferocity, mark the end of the line in military systems development . . . The search for new and advanced systems must have a high priority in our military research and development."

When one considers that we are steadily risking war in Berlin, the militarization of American democracy takes on considerable importance and

ing, all the provocations have come from West Berlin.

The Western argument is that the Russian threat to sign a peace treaty with East Germany is a threat to the whole Western position in Berlin, and that our solemn pledge has been given to protect the West Berliners. Therefore we cannot agree to accept a treaty which would transfer control of the access routes from Russian to East German authority. How strong are these arguments?

To begin with, the circumstances in which the division of Berlin occurred have long since disappeared, and virtually everyone outside West Germany agrees that the Western position in Berlin, deep inside East Germany, is utterly anomalous. Once we established a West German state, and this was followed by the Soviet creation of an East German state, the purpose of a divided Berlin (and of a Western presence in

plaining why it is still necessary for all West German parties to espouse reunification and even nuclear arms; why there is need in the Bonn government for a "minister of all-German affairs"; or why West Germany brings diplomatic pressure to bear on any state that does recognize East Germany.

In fact it is no more realistic to refuse to recognize East Germany than it is to refuse to recognize China. But the advantages of an early recognition of East Germany are even greater than those which would follow recognition of China.

Whether or not Khrushchov is right in his assessment of the danger to East Germany and therefore to Russia, there can be no doubt that he believes that the threat is real—and that he associates the non-recognition of East Germany with the reluctance of the West to accept the Russian challenge on disarmament. It is worth recalling Walter Lippmann's interview earlier this year with Khrushchov:

"It was clear to me at the end of a long talk that in Mr. K's mind the future of Germany is the key question. I sought first to understand why he thinks the German problem is so urgent, and so I asked him whether, since agreement was so far off, a standstill of five or ten years might not be desirable. He said this was impossible.

"Why? Because there must be a German solution before Hitler's generals with their 12 NATO divisions get atomic weapons from France and the United States. Before this happens there must be a peace treaty defining the frontiers of Poland and Czechoslovakia and stabilizing the existence of the East German state.

"Otherwise, West Germany will drag NATO into a war for the unification of Germany and the restoration of the old eastern frontiers."

From the West's point of view no interest can be served, other than that of West German nationalism, by the non-recognition of East Germany. Our obligations to the West Berliners can best be met by re-settling them in West Germany.

If these steps were taken, together with serious negotiation on military disengagement in central Europe, and a calling of the Russian bid on immediate general disarmament there would be real hope of stability in the region which still lies at the heart of East-West relations.

Unhappily Secretary of State Rusk and the President have been pushed by the powerful rightist forces in the United States into specific repudiation of such a program. We may yet find ourselves burned in a war for German reunification.



New German army marches again to songs glorifying the old conflicts.

cannot be regarded as irrelevant to the Soviet test resumption.

At the centre of both the disarmament and Berlin questions is the enigmatic personality of Kennedy. On the one hand is the President who can tell an audience at Chapel Hill: "Mankind must put an end to war, or war will put an end to mankind." On the other is the President who can add \$4 billion dollars to the arms budget, boast that the output of M-14 rifles has increased from 9,000 to 44,000 a month, and order the resumption of testing. But most frightening is his approach to the central European question.

He insists that the Berlin crisis was occasioned by Russian threats and that these threats must be "resisted" by all means. Yet the only threat has been the one to sign a treaty of peace with the German Democratic Republic, thus recognizing its international position as being equal to that of West Germany. From the beginning of the crisis last summer down to the latest testing of permit regulations and tank manoeuvr-

Berlin at all) was gone.

It has gone, that is, unless one assumes that the original purpose of quadripartite control, namely the reunification of Germany, is still entertained. This is, of course, the sticking point. In admitting West Germany to NATO, and pushing her rearming as hard as possible, we made her the dominant NATO partner outside the United States.

We are no longer able to limit her foreign policy goals, and those goals boil down to the reunification of Germany—inside NATO—and rejection of the Oder-Neisse Polish boundary. With all this we now refuse diplomatic recognition of an East German state which has not only eschewed demands for reunification but has offered all possible guarantees for the security of West Berlin.

One must also note that while observers in West Germany seem convinced that the permanent division of the Reich is a fact widely accepted by West Germans they have difficulty ex-

Cabinet Splits and the Next Election

by Paul McGrath

THE MONTHS WHICH remain before the next general election can be counted on the fingers of one, at the most of two, hands. The Conservative Government has less and less time in which to make the decisions which will hurt or help its chances of success, a success that as yet is by no means certain.

The ultimate responsibility for making the big decisions rests with John Diefenbaker. Since, after leading the country through a period of its lowest post-war rate of economic growth and its highest post-Depression level of unemployment, the Conservative Party cannot safely appeal to the public on the basis of its record alone, the Prime Minister will have to find some less rational, more emotional, issue to catch the voters' eye.

He has already sent up trial balloons on "socialism versus free enterprise" without any noticeable public reaction. A stronger possibility now is an appeal for a mandate to arm the defence forces with weapons equal to those of their most obvious enemy.

For the grandstand show Diefenbaker will rely on his own deep political intuition. But for the side attractions which can spell the difference between victory or failure in dozens of individual ridings across the country, he will be sharing the decision-making with 23 men and one woman: the federal cabinet.

The cabinet in conference stands at the apex of the Parliamentary system; it is the fountainhead from which flow statements of policy, legislative pronouncements and decisions both administrative and political. In the secrecy of the cabinet chamber even the Prime Minister is supposed to be no more than an equal.

In such a group of seekers after the transitory glory and power of political success it is inevitable that cracks should appear. First there are the honest differences of opinion that arise from different backgrounds and experience; then come the dishonest differences based upon prejudice or political advantage, and finally, there are the open divisions forged by ambitions and ashes of wills.

A catalogue of these differences,

minor and major, would be thick. Among the more important ones:

External Affairs Minister Howard Green versus Defence Minister Douglas Harkness on nuclear arms; Postmaster General William Hamilton versus Secretary of State Noel Dorion on relations with the Union Nationale — whether to break openly in the hope of cutting inevitable electoral losses in Quebec, or whether to hold on for one more round; Justice Minister Davie Fulton versus Trade Minister George Hees on the combines legislation; Transport Minister Balcer versus Defence Production Minister Raymond O'Hurley on re-equipping TCA with Canadian-built CL-44s or U.S.-built DC-8Fs; Works Minister David Walker, who insisted on a high NHA rate to keep mortgages attractive to private capital (although he took the credit when the rate was lowered), versus those who wanted the rate lowered to cut housing costs; Hees versus Balcer on amalgamation of TCA with privately owned CPA; on budgetary matters, the wheeler-dealer spenders like Alvin Hamilton versus the conservatives led by Finance Minister Fleming.

Some of these differences — for instance, those over nuclear weapons and on relations with Quebec's Union Nationale — are serious enough to echo

outside cabinet meetings into the party as a whole and from there to the press and to the public.

During the pre-election months, determined attempts will be made to preserve the facade of cabinet unity and, at the same time, pressures to widen the divisions will be felt on all sides.

One pressure comes from fear. At least four ministers — W. J. Browne of Newfoundland, Gordon Churchill of Manitoba and Pierre Sevigny and Noel Dorion of Quebec are as likely as not to lose their seats if the Liberals make anything like a strong comeback. Another three ministers could also go down to defeat. If even a few of these seats fall, it will mean openings nearer the top for junior ministers.

An impending cabinet shuffle — a customary pre-election ritual — has stimulated jockeying for positions to catch the Prime Minister's eye. Before leaving on his late-October jaunt to Japan, Diefenbaker hinted strongly that a major switch-around of cabinet posts was in the offing. The promotion of former Mines Minister Paul Comtois to Lieutenant-Governor of Quebec leaves a spot open for a game of musical chairs.

There had been speculation that Revenue Minister George Nowlan would yield to the advice of his doctors and withdraw to less turbulent waters. But it is clear that Nowlan — one of the most popular and frequently one of the most under-rated members of the cabinet — has decided to remain and bargain his chances against another heart attack.

Other moves are likely to increase the scope of cabinet rearrangement. Finance Minister Fleming is clearly at the end of his line. For four lonely years he sought to hold off attacks upon the public purse by Conservatives hungry, after 22 lean years in Opposition, for the applause that comes with public expenditures. Fleming believes in the sanity of a balanced budget. Being finance minister during four years when two recessions followed each other with scarcely a pause and when the economic slowdown and persistent unemployment compelled unprecedented peacetime budget deficits has been a



Dief: Time for the grandstand show.

frustrating experience.

Two years ago, Fleming seemed certain to win the external affairs portfolio left vacant by the death of Sidney Smith. But Diefenbaker could find no successor to his tough and incorrigibly hard-working finance minister, and kind-uncle Howard Green got the promotion instead.

Today, Fleming is stuck in a job that offers him no future, no joy, and no glory. He hankers for the prestige and glamor of the vacant ambassadorship in Washington. His reputation within the party has been hurt by the Coyne debacle and his reputation in Ottawa damaged by his having allowed himself to take part in the attempt to smear a man who was never more magnificent than when he was wrong.

Aside from the possibilities opened up by electoral defeats or by cabinet shuffle, the pressures of election campaigns impose their own tensions upon the individuals who make up the cabinet bloc.

It is a unique opportunity for the tortuous art of selling pet ideas and schemes to the cabinet at large and seeing them brought down in legislative form. The big ideas, the ones that can be woven into successful election issues, stand the best chance of success at this time: a national electric grid to revive the vision of 1958; extra dollops of social security payments to remind voters of the parsimonious Liberal \$6 increase to old age pensioners that helped defeat them in 1957.

It is also a time for shelving issues that could prove embarrassing. (Only the untutored would expect action on the Productivity Council recommendation to study rearranging Canadian industries to cut away smaller, uneconomic firms and leave larger companies with bigger production runs before another four years of power are assured for the Conservatives.)

It is a time to be unwaveringly pro-Canadian, even if this means forcing TCA to take unsuitable Canadian manufactured planes instead of the U.S. models it needs to face trans-Atlantic competition; to be passionately in favor of the "little man" whatever the realities of business economics and foreign competition.

It is a time to assess the damage that will be done to Conservative candidates by the mud flung by Salvas Commission lawyers at the party's Union Nationale allies against the value of the slush funds and riding-by-riding organization which the UN can still provide.

Most dramatic of these clashes between strong-willed individuals, both seeking to get their ideas adopted by the cabinet at large, is the one between Green and Harkness. The gravel-

voiced external affairs minister has hitched his reputation to a program of winning the big nations over to a sensible disarmament policy.

Although a more experienced diplomat would never have set out on such a course with such high hopes, Green has been beaten by events beyond his control rather than by his own failings or by his method of operation. The gathering war clouds, the blatant Soviet cynicism and the West's hardening posture have simply thrust Canada to the side to wait, as a middle power, for whatever crumbs are thrown down from the big-league bargaining table.

While he was still in full-flight, Green was determined that his policy of disarmament negotiation required that Canada itself should not acquire nuclear weapons. He argued that this



Fleming: The end of the line?

would undermine our stature before the neutral bloc. This policy was in complete opposition to the views of Defence Minister Harkness, who decided many months ago to convince his cabinet colleagues, and the public, that Canada must stand with its Allies and not flinch from the responsibilities thrust upon a nation rich enough to afford nuclear weapons.

At the start of this contest, Green was clearly in the ascendancy for Diefenbaker was equally clearly on his side. Events have now won the PM over to the "hard stand" of Harkness. The decision has certainly been taken; all that remains is to pick the right moment to make the announcement.

A useful case-history of the benefits and pitfalls of a carefully planned program of selling an idea to government can be found in Trade Minister Hees' export drive.

Hees launched his campaign last December within weeks of moving to

the senior portfolio from the Transport Department. Hees, whose goal is leadership of the party, seized upon exports as a way of enlarging his reputation and of keeping his name before the public.

His first step was to organize a mammoth Trade Promotion Conference and to underwrite this he out-argued Finance Minister Fleming and wrung a cheque for a cool \$100,000 through Treasury Board. His next step was to have the Design Council transferred from the ivory tower reaches of the National Gallery to his own department where it could work more closely with industry.

Then he set out to convince the Justice Department that its Combined Branch should do everything possible to encourage firms to form combines for export sales, a move that has practically forced the Justice Department into making judgments about the law which are the proper concern of the courts. Finally, Hees was able to persuade the chartered banks to forget their mutual suspicions and co-operate to form a new export credits organization to finance sales of manufactured goods.

Through the early months of 1961 Hees and his department were riding the dizzy crest of success. Exports climbed each month and the gap between imports and exports steadily narrowed to the point where an annual export surplus for the first time since 1952 seemed assured.

But in the high summer Hees took his first fall. He failed to convince Fleming of the practicability or usefulness of providing special subsidies or tax concessions to exporters. He did, however, get a boost from the budget in devaluation of the Canadian dollar to bring our export prices down.

But in recent months, the export drive, heralded with so much and such skillful publicity, has begun to lose steam. The underlying causes of Canada's weaknesses vis-a-vis her foreign competitors have begun to have their effect. Much of the export successes can now be traced to isolated reasons, such as Britain's dropping of import controls which permitted a flood of North American manufactured goods to enter that market for the first time since the war.

One can expect Hees shortly to seek new fields to conquer. For he, more than anyone else perhaps in the cabinet, is seeking additional personal power.

But it is up to his colleagues singly and collectively to see that his and other personal power plays do not lose the party's own power. For without that central power none of them have anything.

Ghana May Survive Its Current Troubles

by Donald Gordon

THE COMMONWEALTH is in danger of losing Ghana as a member if the current spate of vociferous criticism of the Ghanaian government and its legal stratagems continues.

This is not to say that there isn't considerable justification in many of the charges. To a convinced Western democrat there is much disorder in this African nation's ruling house. But it's felt here by sober and responsible observers and officials of every political hue that the Commonwealth's adamant refusal to see Ghana in its own social and geographical context is doing irreparable damage.

Geoffrey Bing, the Attorney General until the end of September and still a key figure in the ruling coalition of President Kwame Nkrumah, puts the case most succinctly:

"Ghanaians — especially in the government — see those countries that have left the Commonwealth in the enviable position of being blameless. At the same time they suffer this great flood of comment and criticism from London and other Western capitals, much of it based either on incomplete information or outright lies. Not unreasonably they are concluding that the Commonwealth is becoming a liability."

On the face of it the principal charges against Ghana make depressing reading. In the process of building a one-party state, Nkrumah and his allies in the Convention People's Party have imposed thoroughgoing censorship of the press (directly by law and indirectly by staffing the handful of surviving newspapers and magazines with staunch CPP supporters); have made party membership a condition of trades union and farmers' union organization; have made it illegal to criticise the President; have established a star chamber court of three judges with no right of appeal and have organized a smartly efficient secret police cadre.

At the time of writing more than 100 opposition politicians and potential labor agitators are being held in jail under the blanket Preventive Detention Act in force in the country. In the familiar pattern of dictatorship one finds that citizens of all classes now mute their criticisms against the Government and when they do talk they

parade the same grumbling resentments as their fellows in Portugal, Spain or the iron curtain lands.

At the same time the monolithic party apparatus has grown to encompass the major women's organizations, the biggest youth group (due to swallow up even the Boy Scouts in the near future), the builders' brigade catch-all for urban unemployed, the trades and farmers' unions and all the key elements of the police and army. It's reckoned generally that no post in the nation's increasingly publicly-owned economy will be open for non-members of the CPP within the next three years.

As a footnote to this process too, such opposition as does survive out of jail or exile is moving steadily closer to outright violence as its only means of expression. Only by force, say these disaffected, can the steamroller be resisted.

That's the case against the Government in Ghana now—a case given extra bite for Westerners by the accompanying trend evident on all sides here towards the Eastern Bloc. On such evidence it could be argued that Ghana is fast becoming an authoritarian dictatorship almost certain to drift into the Iron Curtain bloc in the near future.

(More than half of the 10,000 Ghanaians studying abroad go to Communist lands. Soviet and satellite technicians swarm everywhere in the country, activist members of the CPP openly boast of their support for Communist causes—especially when voiced from Peking).

But there is more to the situation than the overt evidence suggests. In fact the welter of buts and maybes that must be attached to the usual statement of charges suggests wholly different final conclusions.

First, consider the setting. Ghana now is going through the same kind of basic growing pains that characterized the American experiment after the Revolution and Canada's leap towards nationhood at Confederation.

The same sort of divisive elements exist on all sides: political disagreements on the form that the fledgling nation should adopt (even now the pressure for a tribally organized federation persists in many regions), social disagreements on who should get the jobs and jurisdiction, economic disagreements on how the limited resources of the nation should be shared out for the huge job of education, construction and development facing



Ghanaian troops. In dictatorship's familiar pattern, might is right.



Nkrumah addressing African independents. An opportunity to be won or lost.

the Republic of Ghana.

In addition, a totally different tradition provides the taproot of Ghanaian social and political organization. For centuries the peoples of what now is Ghana were ruled by chiefs—in effect one-party rulers who accepted the counsel and advice of tribal elders but were absolute so long as they stayed within a framework of generalized consent.

Only a catastrophe, a colossal blunder or physical collapse provided cause for removal and even that was taken care of institutionally through the family in the tribe designated as kingmakers.

As time went by this structure has been moderated progressively to provide for greater responsibility but always within the framework of a one-party system. At no time have there been opposition elders and government elders ranged against each other. It has always been seen as a joint responsibility of all working on the one side.

In addition, the successive colonial rulers here have followed this system—making deals with the chiefs in each area and placing themselves at the top of a hierarchical, one-party structure. If anything, they were even more resolute than their African subjects in stamping out organized opposition.

Consequently the parliamentary system applied to Ghana at independence has been an essentially unnatural structure. Allowing for a formal, organized Opposition encouraged the divisions within the country and ran counter to the long-established tradition.

And so the present situation developed. With a clear and acknowledged majority mandate (reflecting its role as the main coalition favoring independence) the CPP was elected to power—just as the chiefs of old were. Once in power it has sought to consolidate its position in the traditional manner. And that has meant, in part, the legislation that London condemns.

"Authoritarian, yes," comments Bing. "But authoritarian in a traditional manner—not as one would find in Nazi Germany or even France today."

Proof of the pudding? The CPP itself provides some impressive evidence. While still generally united in support of Doctor Nkrumah, the Party's internal spectrum covers an impressively wide range.

One hears daily of full and forthright criticism of Government policies—in Parliament, at public meetings, over the tasty Star beer served up in local bistros, even in the Government ministries themselves. Censorship and the courts may have dampened down the official Opposition but at the moment there is no fear of either within the monolith itself.

(It's not irrelevant, either, to note that the Opposition has played a fairly large part in achieving its own emasculation. Many of its candidates have been proven rascals anxious to feather their own financial nests, others have been recruited from the colonial-era elite which openly opposed independence, still others have resorted to violence and irregularities clearly illegal by any criminal code. The Government mainstays haven't been angels either but they have had no monopoly on sin.)

Looking to the future, the prospects are promising. Given another five to seven years of relative stability, most political observers here conclude that a transition may in fact be effected. From within the CPP, as tribal ties slowly loosen (a process being actively encouraged by Nkrumah himself), there is a good chance that a viable and workable formal Opposition will develop.

Because of common roots it will be able to work within the necessary framework of give-and-take required for a parliamentary democracy. In fact, it is suggested that strong arms now are essential if such a development is to

ever become a reality.

And party trends now favor this conclusion. Already in the wave of younger CPP lieutenants coming to the fore there is a clear split between moderates and activists. At the same time both wings of opinion agree on ground rules barring the outright aggressions now mounted against the present Opposition. That alone suggests a genesis.

Mind you, having moderated the critical comments one is still able to see many unsettling developments in Ghana. Public spending—committed to sacred cows such as Ghana Airways, the Black Star Steamship Line, the assorted national monuments and the shaky structure of aid to African allies and liberation movements—is still alarming. There is the real possibility of national bankruptcy within 18 months if some saner policies are not applied. This alone could force ever harsher government repression leading to a real police state.

And at the same time the leftist infiltration could also lead to troubles. Through indoctrinated students in key technical and teaching posts and a neat blend of commercial credits the Soviet Bloc could very well achieve a takeover within the next ten years.

But in both cases the doubts shouldn't obscure the hopeful possibilities.

If, instead of concentrating on what could go wrong, Western—especially Commonwealth—nations dig in with aid, constructive and diplomatic advice and some general understanding, Ghana can continue to be a Commonwealth showcase. But if we go further on our carping spree, we can expect to lose a partner and an opportunity.



Ghana's Nkrumah: Censorship of the press and an efficient secret police.

The Growing Business of Air Cargo

by Harry McDougall

AIR CARGO IS THE SLEEPING giant of aviation — and it is the impact of Canadian aeronautical technology which will awaken the giant and spark the forthcoming boom.

The Canadair CL-44, first truly specialised high-performance, all-cargo aircraft to go into production is now entering service with several of the largest U.S. all-cargo carriers and shows every promise of being the major technical and economic breakthrough long awaited in this particular field.

Although originally based upon the proven Bristol-Britannia design, the CL-44 is in fact a completely redesigned aircraft intended solely for air cargo use. It has a payload of 33 tons, full trans-Atlantic range capability, and will be able to operate from nearly all the world's major airports.

Its swing tail, in conjunction with a completely mechanised cargo handling system, results in a ground turnaround time of one hour compared with about five hours for conventional piece loading; one result is that the aircraft can be unloaded and reloaded within the time needed for refuelling.

It is its ingeniously designed, integrated loading system which makes the CL-44 uniquely suited for the purposes of the all-cargo airlines. An enormous amount of research and experimental work was carried out before the design of the system was approved for production. The successful design of the swing tail, in itself a major engineering achievement, permits access to the fuselage through the very large opening presented when the tail is swung aside.

The cargo loading system uses thin, light pallets made from aircraft-quality plywood panels and aluminum sheets riding on lubricant-impregnated nylon rubbing strips. Each pallet weighs only 140 lbs. and is only half an inch thick but has a load capacity of 8,000 lbs. Cargo can be pre-loaded onto these pallets ready to be slid into the aircraft as soon as the tail is swung aside.

To speed up pallet loading into the aircraft, a cargo transfer platform is used. It has an upper level to transfer loaded pallets and a lower transfer level for bins which go under the floor of the aircraft. The platform can be attached to the airplane, becoming in effect an extension of the fuselage.

As fuel is pumped into the aircraft and it begins to sit lower, the platform adjusts so that the platform and fuselage always remain in alignment. Once the transfer platform has been attached to the airplane and levelled for loading, a forklift truck, overhead monorail, or loading bridge is used to place each container or pallet on the platform upper level where a roller conveyor sitting slightly above the aircraft floor level permits easy movement of the pallet into the airplane.

The pallets, pre-loaded inside the air cargo company's warehouse, are taken to the aircraft on dollies. By the use of this system most of the actual labor of loading can be completed in the company's warehouse before the aircraft arrives and there is obviously a very

considerable saving of time over conventional loading methods.

It has often been assumed that the design of an air-freighter would be considerably simpler than the design of passenger carrying aircraft. In fact, this is far from the truth. As E. H. Higgins, Canadair's vice-president, engineering, points out, a human passenger as an item of cargo is a remarkably adaptable and co-operative package.

It takes itself from the point of origin out to the airport at its own expense, sorts itself out at the terminal according to destination, loads itself on board the aircraft, packs itself into a standard container and lashes itself down. On arrival at its destination, it detaches its own tie-down fittings, removes itself from the container, un-

CL-44 or DC-8F? A Major Decision

THAT THE SWING-TAIL CL-44 is by far the finest all-cargo aircraft available is indisputable. The fact that the all-cargo U.S. airlines have gone outside their own national boundaries to buy it is the best proof possible. Why, then, did TCA decide to pass up the Canadian aircraft in favor of Douglas DC-8F jets, made in the U.S?

TCA says that the reasons for its decision are wholly technical and financial. The jets offer the possibility of mixed configurations—part cargo, part passenger, in ratios which can be changed by the addition or removal of extra seats. The CL-44 is purely a cargo aircraft, albeit a highly efficient one.

TCA feels that, in spite of the optimistic predictions being made by proponents of air freight, it would still not be possible to drum up air freight business in this country or abroad on a scale which would justify the immediate purchase of CL-44s.

It also emphasizes the difficulties of adding a new and different type of aircraft to its fleet at a time when standardisation of maintenance techniques and stocking of only minimum supplies of spares is one of the keys to efficient operation.

Canadair, however, having carried out an aggressive and successful sales program in the U.S. feels that it is now being "let down" by TCA's refusal to buy the Canadian product. They feel that further prospective purchasers in the U.S. and elsewhere may well take their cue from the action of Canada's domestic airline.

Canadair argues that TCA has been slow in developing the air freight side of its business and suggests that the immediate employment of CL-44s, coupled with an aggressive sales approach to prospective users of air freight, would ultimately produce results justifying the purchase. They also feel that TCA tends to exaggerate the problems of maintenance, especially since its manufacturing facility is very close to TCA's overhaul base in Montreal.

There are many other side issues. The CL-44s are slower than the jets but they are also cheaper to buy. The CL-44s are quieter and can use shorter runways; the jets are faster and have a larger carrying capacity. Canadair's arguments on air cargo potentials are heavily documented by masses of statistics. TCA's rebuttals are bolstered by practical experience.

loads itself from the aircraft and, finally, delivers itself at its own expense to the point of its intended delivery.

The designer of a cargo aircraft has much more difficult merchandise to deal with. Item weights can cover a range of from one pound to 10,000 pounds. Dimensions vary from one inch to over 100 in all directions. Of even greater concern to the cargo aircraft designer is the wide range of densities which in current operations may vary all the way from two pounds to 100 pounds per cubic foot.

Provision for creature comforts which must be built into passenger aircraft cannot be eliminated from a cargo aircraft for it must be suitable for the transportation of everything from baby

toionize the whole concept of air freight and bring air cargo transportation within the range of many manufacturers who have hitherto found this high-speed form of transportation out of their reach because of cost.

If the rates at present in effect in the U.S., regarded by all-cargo airlines as archaic, are modified, they estimate that they can cut their rates down to as low as eight cents or even six cents per ton mile which will have a radical effect on volume and load factors. If they are permitted to operate on a rate tariff adjusted to the class of traffic involved, they expect to be able to control the mix so that the average return will be in the region of 13 cents per ton mile.

Ordinary shipments will be unloaded from the trucks by a telescoping conveyor. The goods to be transported will be loaded on the pallets on the ground floor and as each pallet is filled to capacity it will be hoisted to the second floor by an overhead crane which will automatically weigh it. This way, all weight and balance information can be acquired by the flight crew even before the loading process has begun.

Frank B. Lynott, executive vice-president, operations, of the Flying Tiger Line, has drawn some comparisons between the piston-engined aircraft which they now operate and the CL-44. He points out that fixed costs are about \$2,500 per day per plane, and these continue regardless of how many hours the aircraft is flown since they only cover such items as depreciation, insurance and taxes.

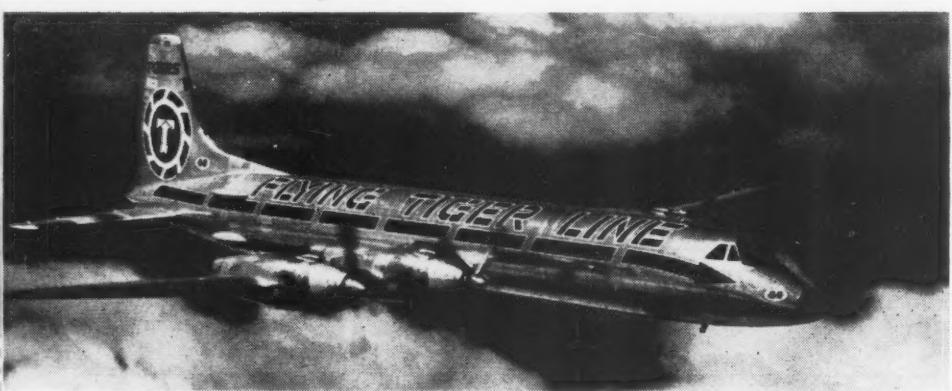
At a utilization of ten hours a day, which is approximately that applicable to an existing Super Constellation cargo carrier, this fixed cost is thus \$250 per hour. However, it is expected that the utilization rate can be increased to 16 hours per day with the CL-44 because of its efficient loading system. Thus the fixed cost will be reduced to \$155 per hour—a very considerable saving.

If the arithmetic is worked out on the basis of 16 hours per day it represents approximately 6,000 hours of utilization per year, and at a saving of \$100 per hourly fixed cost there is a saving of over half a million dollars on each plane each year. Moreover, executives of the Flying Tiger Line are confident that they can achieve this improvement in utilization just by exploiting the operating efficiencies inherent in the design of the CL-44.

However, the chief problem has been to convince U.S. operators that there is, now, enough potential in the air freight business to justify purchase of a new, modern, and admittedly expensive aircraft even though the market is glutted with substantial numbers of big obsolescent four-engined airliners such as Super Constellations and DC-7's which have been outmoded for passenger travel before they have been fully depreciated. Since these piston-powered aircraft can be picked up and converted for air cargo use fairly cheaply, their unit cost is relatively low.

However, Canadair, as proved by the placing of firm orders from the U.S. totalling more than \$85,000,000, has been able to prove that a new aircraft specifically intended for air cargo is a better investment.

They first studied all existing surveys of the market which were available but, finding that none of these fully investigated the air cargo market, discarded them and proceeded with their own re-



Flying Tiger Line was one of first commercial carriers to operate CL-44s.

chicks to horses. An efficient air conditioning and pressurization system is essential.

Part of the enormously increased potential of the CL-44 as a cargo carrier over conventionally powered aircraft now operating is its use of turboprop engines. The engine on a piston-powered Super Constellation weighs about 6,000 lbs. and develops 3,400 h.p. The engine in the CL-44 weighs 2,200 lbs. and develops 5,730 h.p.; thus considerably more horsepower is developed by each engine while there is an exceptional saving in weight.

When this gain is multiplied by the four engines it becomes apparent that turboprop power confers enormous advantages. The extra power provides considerably increased lift and the weight saving can be converted into payload. Moreover, turbines can burn kerosene instead of high-grade gasoline and fuel costs are reduced.

It was estimated that the DC-4, which carried the bulk of air freight for several years immediately after the war, had direct operating costs of 20 cents per ton mile. This was reduced to nine cents per ton mile when the more modern Constellations were introduced into service, but the CL-44 will cut them to about four cents per ton mile.

What the introduction of the CL-44 will do, in effect, is completely revolutionize the whole concept of air freight and bring air cargo transportation within the range of many manufacturers who have hitherto found this high-speed form of transportation out of their reach because of cost.

This rate is well below rail express and is in perhaps the top third of all surface rates. At this level some estimates put the potential traffic in North America at over 40,000 million ton miles per year.

The main advantage offered by air cargo is, of course, a tremendous saving in time. Only the very fastest trains travel coast-to-coast within four days, and in the U.S. the national freight average is over 17 days. The transcontinental truck average is approximately 10 days. A turboprop aircraft can make the same coast-to-coast trip in approximately seven hours.

The Flying Tiger Line, one of the first to operate CL-44s, is giving 100 per cent co-operation to Canadair by providing extensive assistance in the design of a practical commercial cargo-loading system. At Chicago's O'Hare field a new terminal is being constructed, designed especially to take full advantage of the new aircraft's features.

This terminal is the prototype for others which will later be constructed at San Francisco, Los Angeles and Newark. It is a two-storey building and the first floor, which covers 32,000 sq. ft., will be utilized as a receiving, loading and pallet make-up area. It will have 14 truck and trailer positions with additional room on the truck ramp to park 20 trailers.

search. This survey, one of the most extensive of its type ever attempted, has become known throughout the air cargo industry as "The Canadair Study".

The first phase of the study was concerned with trans-Atlantic traffic. Canadair obtained from various authorities the complete trans-Atlantic freight figures for a given month and transferred this information onto thousands of cards which were then fed into electronic data processing machines. Part of the analysis involved more than 400,000 IBM cards weighing over a ton.

From the punched cards, the computers produced the most comprehensive report on a single month's shipping activity which has ever been compiled. This initial survey is being used to persuade the airlines to provide the facts to enable the second stage of the program to be completed. This is aimed at showing how the airlines could, by the use of modern equipment, have taken a larger bite out of the total traffic.

In a parallel study of U.S. industries, one of the things which has already been established is that if lower freight rates than those now existing are authorized in the U.S., enabling operators to take full advantage of the CL-44's abilities, there is a potential market for at least 130 aircraft. The results of the study covering the North Atlantic route already released show that the percentage of cargo traffic presently carried by air between North America and Europe is still a relatively insignificant portion of the total.

Part of the study deals with the question of just what sort of cargoes are really ideal for transportation by air. As a general rule it has been established that any commodity worth more than one dollar a pound and of a size and shape suitable for loading into an aircraft is air cargo potential.

The final part of the study, and the one which will certainly be the most controversial, covers air freight rates. Canadair has established that the average cargo yield on North Atlantic traffic is approximately 27 cents per ton mile. By the use of CL-44 aircraft, this could probably have been carried for 15 cents per ton mile while still showing a reasonable profit.

The only other commercial all-cargo airplane available is, rather surprisingly, not a U.S. but a British aircraft—the Armstrong Whitworth Argosy, which is another turboprop. However, it carries a much smaller payload than the CL-44 and is more likely to be complementary than competitive. An order for seven Argosy aircraft has been placed by the Riddle Airlines of Miami, Florida, another all-cargo line, and deliveries have begun.

The designers of the Argosy have



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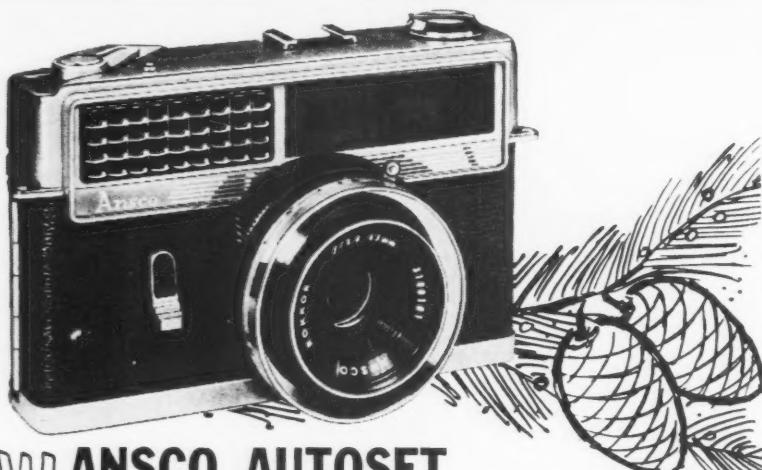
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TV personality Harvey Kirk, seen on Anasco's "Photography is Fun".

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solved the problem of rapid loading by carrying the tail high above the fuselage on two booms. The fuselage has doors at both the front and rear ends permitting simultaneous loading and unloading.

The cargo deck has been arranged at about the same height as the average truck floor for added convenience, and is fitted with a "Rolamat" system which is made up of light alloy stressed flat pallets and straight lengths of gravity roller conveyor.

With a minimum of reorganization Riddle Airlines expect to save at least 20 per cent of the time required for loading and unloading the aircraft without the necessity for any extensive changes to their present ground facilities. They estimate that the Argosy will be 30 per cent more economical than the old C-46 aircraft which at present comprise most of their fleet, and each of the new aircraft will do the work of three such planes in the course of the year.

It is becoming increasingly obvious that when air cargo transportation becomes available on a large scale it can radically affect the whole structure of some businesses, particularly those which depend on a large and widespread network of outlets for their products. At the present time many such companies are forced to maintain warehouses with large inventories at strategic places across the continent.

Efficient air cargo transportation will, in many cases, permit a manufacturer to service all his outlets from a single large warehouse within a matter of hours. This means that many manufacturers will be able to operate with much smaller total inventories than has formerly been possible, with a resulting conservation of working capital.

A typical example is the provision of spare parts for some low-volume imported automobiles. By maintaining one central parts depot and making full use of air cargo transportation, a manufacturer will be able to provide a better parts supply at less cost and much more efficiently than has been possible hitherto. This "warehouse in the sky" concept is already finding increasing favor.

The last air freight conference, held in Chicago, drew more than 200 representatives from cartage firms, airlines and manufacturing companies. Eighteen airlines were also represented at the conference, which was organized in an effort to iron out some of the multitude of minor problems with which the air cargo industry is faced.

The conference heard John T. Thompson, General Manager of the Distributor Products Division of the Raytheon Company outline his company's experience, which may very well

provide a pattern for others faced with similar distribution problems in the future. Raytheon solved all its distribution problems simultaneously by establishing a single servicing centre in Westwood, Mass.

By combining leased-wire communications, punched card processing and air freight, Raytheon is able to give one-day service to approximately 700 distributors located in all parts of the U.S. All regional warehouses are being closed down, at a saving of something over \$2,000,000.

How will the coming increase in air cargo traffic affect the railroads? The answer is that it will affect them very little at first because although there is an almost immediate prospect of a relatively large increase in air cargo business, the total volume carried as a proportion of the whole will still be insignificant.

Air cargo transportation will undoubtedly expand very rapidly during the next few years, but it would take at least 500 new aircraft as big and fast as the CL-44 to absorb even one per cent of the normal volume of surface transportation. However, it is perhaps significant that one railroad, the New York Central, has already acquired an interest in the Flying Tiger all-cargo airline.

In the past it has been standard practice for all manufacturing companies to locate adjacent to a railroad. Nowadays there is a noticeable tendency for manufacturers in certain fields to locate new plants adjacent to an airport. Many U.S. airports are ringed by manufacturers whose products are distributed principally by air cargo.

Several large plants, including Rose Marie Reid, the swim suit manufacturers, Virtue Bros., who make furniture, and The International Harvester Company have recently built plants adjacent to Los Angeles airport. One airport in Dallas is ringed by plants of Eastman Kodak, Texas Instruments, Collins Radio and many more. Nearly 20 companies have established plants around Lambert airport at St. Louis.

These companies are looking forward to the time when air cargo will be as economical as other transportation methods for practically all products. If the type of business being conducted can be properly allied with air cargo transportation, there are many advantages to locating plants near airports. In particular real estate values are lower and there is usually ample space for large parking lots.

In Canada, the air cargo business is prospering although not to the same extent as in the U.S. Canadian Pacific Airlines has recently experienced a considerable increase in air cargo traffic on their trans-continental and inter-

national routes. During the first ten months of 1960 CPA carried 1,480,648 pounds on these routes, an increase of 373,769 pounds or 33.5 per cent compared with the same period in 1959.

T. W. Brown, CPA's cargo manager, said recently, "As well as reflecting a boom in international business, the impressive increases in CPA cargo loadings are partly a result of the company's new policy whereby shippers can book confirmed space for cargo shipments". Prior to March 1st, 1960, most cargo travelling by CPA flew on a "space available" basis.

This system has now been changed and CPA allots confirmed space up to 6,000 lbs. in aircraft flying the airline's high density overseas services, and up to 4,000 lbs in aircraft flying the Canadian trans-continental service. Primarily as a result of this plan, air cargo loadings at Amsterdam increased 95.4 per cent during the first six months of 1960 as compared with the corresponding period in 1959. In Tokyo, air cargo loadings were up 72.8 per cent during this period.

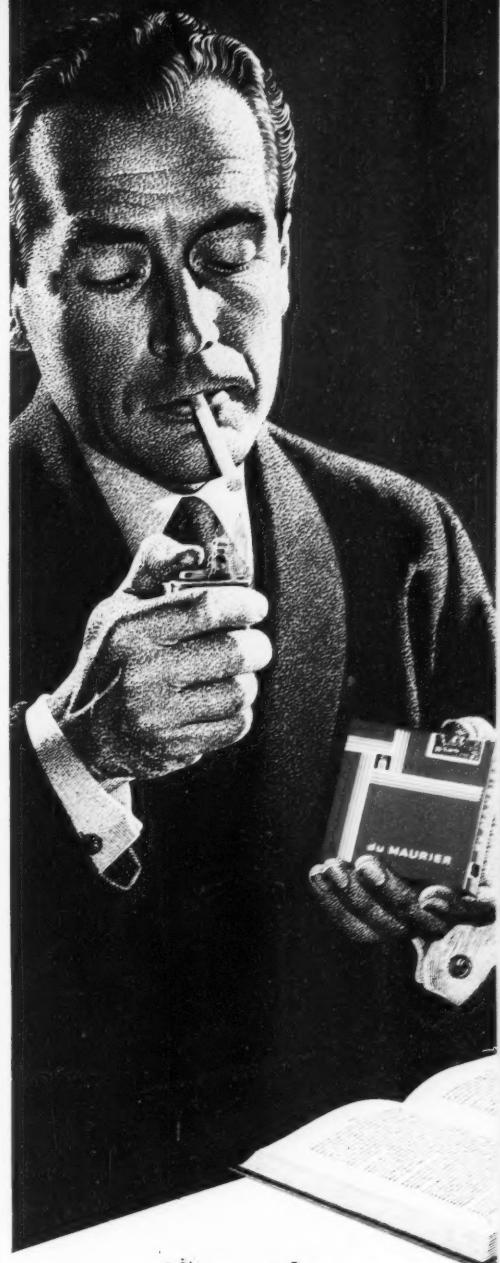
Trans-Canada Air Lines in 1959 carried over seven million pounds of air freight on its North American routes alone, including every conceivable type of cargo from newspapers to live chickens. In the last ten years there has been an increase of nearly 300 per cent and every scheduled TCA flight carries air express.

In Canada, the Canadian National Railways express department handles ground service for TCA's air express system delivering shipments by train and truck between airports and the customer's door.

TCA's DC-8s carry up to 10,000 lbs. of cargo in addition to 127 passengers. The cargo holds of the Vanguards also have a capacity of up to 10,000 lbs., and with cargo doors located on the opposite side of the aircraft to the passenger doors, simultaneous loading and unloading of people and freight will be standard. TCA expects to considerably expand its business on routes to and from the Atlantic provinces since air freight movement is growing rapidly in that area.

There are many elements of common interest between sea and air carriers, and TCA offers special rates for cargo arriving in the Maritimes or Newfoundland by sea, destined for inland points such as Montreal and Toronto. In the first half of 1960 TCA carried nearly 50,000 lbs. of such traffic from Halifax and St. John to inland Canadian cities, and all indications are that this traffic will increase tremendously with the introduction of new equipment and schedules.

Canadian air freight in 1960 totalled less than .005 per cent of the whole



there's
Something
Special
about

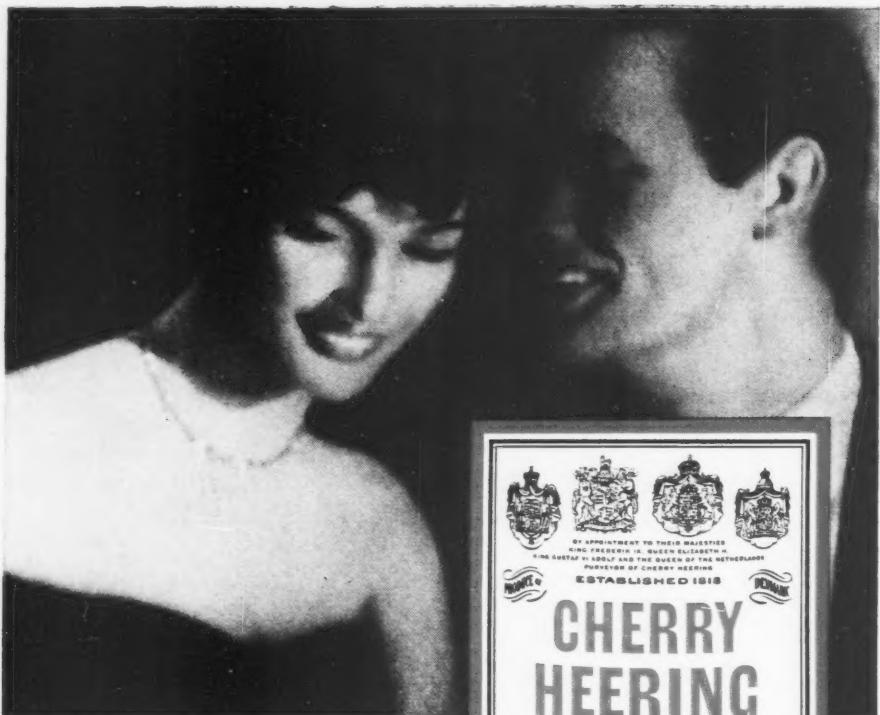
du MAURIER

- most effective filter tip yet developed
- choicest, extra mild Virginia tobacco
- rich flavour, exceptional smoothness
- firmly packed for longer-lasting smoking pleasure



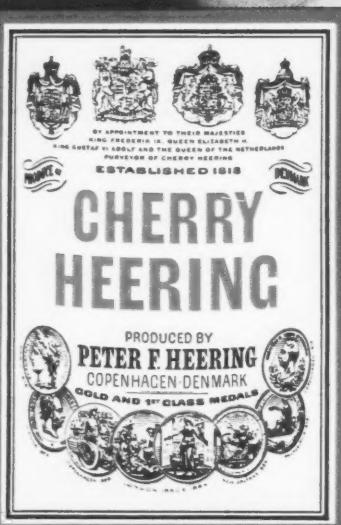
du MAURIER

A Really Milder High Grade Virginia Cigarette
with the EXCLUSIVE Mild SUPER FILTER



*The difference between
eating and dining!*

DENMARK'S LIQUEUR DELIGHT SINCE 1818



THE MOST TREASURED NAME IN PERFUME

CHANEL

cargo market, but for future planning purposes, TCA regards five per cent of the sea traffic as the potential for movement by air. This would, of course, represent a truly phenomenal air freight growth requiring large fleets of all-cargo aircraft.

TCA operates all-cargo Canadair North Star freighters on North American services and these are each capable of carrying up to 17,500 pounds of freight. However, most of TCA's cargo moves on regular, scheduled passenger flights.

Hugh Johnson, Director of Cargo Sales for TCA, is firmly of the opinion that air cargo will make tremendous strides in the next decade, bringing cargo revenues closer to passenger revenues. Canada has, however, one basic problem in air cargo which has delayed expansion of all-cargo services. The problem is one of direction.

TCA serves six U.S. cities — Boston, New York, Chicago, Cleveland, Seattle and Tampa. On these trans-border routes there is a tremendous imbalance in the flow of air cargo with less than ten per cent of the total traffic travelling from Canada to the U.S. A similar imbalance exists in Canada where the majority of all air freight travels from the highly industrialized east to western areas.

This imbalance, the result of the laws of supply and demand, can be absorbed with relatively little economic loss on cargo-carrying passenger flights where cargo merely provides additional revenues and is not a principal source of income, but it is a severe handicap to all-cargo services. Rates, attractive to a shipper and compensatory to the carrier, are possible in the one direction with adequate air lift loads, but not in the other where the air freighter must travel with minimum loads or none at all.

One curious case, however, where this situation is reversed is in the carriage of live lobsters which make one of TCA's principal food cargoes. While the movement is of a seasonal nature it is quite substantial.

Lobsters move in small but steady volume from the east coast to Toronto, and in larger volume from Newfoundland to Boston. In 1959 the airline moved approximately 200,000 pounds of lobsters from Gander to Boston between May 15th and August 15th. In 1960 the amount was about 225,000 lbs.

It is improbable that any major all-cargo airlines will be established in Canada in the near future. However, the Canadian aviation industry will undoubtedly continue to play an important role in the development of the air-cargo business in other countries, and in the U.S. in particular.

Ottawa Letter

by Raymond Rodgers

What O'Leary Really Wanted

THE MOST FASCINATING stories in public affairs lie not so much in what public figures say as in what they would like to say, were it not for the consequences.

Sometimes, of course, such stories are brought to light with the specific approval of the persons concerned, but leaked in such a manner that they can be denied if subsequent events demand it. At other times, the story can only be pieced together by compiling isolated scraps of information which seem consistent with other more substantial evidence.

What Chairman Grattan O'Leary of the Royal Commission on Publications really wanted is a story which lies in the latter category. Enough of the evidence is in hand now to tell it—and to see how much (or whether any of it) will be denied by the principals concerned.

First, to set the stage, we have to bear in mind the characters of O'Leary himself and the other man in the story—John Diefenbaker. Both are Tories. But neither, least of all O'Leary, is a Tory simply in the sense of North American-style conservatism, as that conservatism has expressed itself in recent decades. Their philosophic roots go back to earlier ages—to the Toryism of the Tudor mercantilists and, more recently, to that of Disraeli.

Such Tories, while consciously acting in the framework of 19th-century concepts of *laissez-faire* (actually a Liberal doctrine), nevertheless have a deeply buried uneasiness—an awareness that the Tory tradition is being flouted in North America by persons who have appropriated the name but not the spirit. The area in which the divergence between true Toryism and the North American perversion most readily comes to light is that of state intervention and partnership in the economic realm.

In true Tory times there was not the modern conservative panic at the idea of mingling state and private initiative. It is no exaggeration to say that the historical roots of, for example, Scandinavian-style mixed corporations, go back not to Karl Marx but rather to the great trading companies of an earlier Europe.

In the East India companies of Britain, France and Holland, it is almost impossible to untangle the mixture of state and private initiative and to say whether—in modern jargon—these were crown corporations or private enterprises.

Similarly, the true Tory tradition is not afraid to establish principles reflecting national needs, regardless of the effect these may have on the selfish few. Such principles well up from a deep-seated feeling for the organic wholeness and wholesomeness of the community. The opposite spirit was expressed in the 19th-century concept that no principles of religion or national well-being should interfere with the right of capitalists to exploit child labor.

Of the two men, O'Leary and Diefenbaker, the former is closer to the true Tory tradition. In addition, of course, Diefenbaker needs to balance principle against expediency. It is common knowledge—at least in Ottawa—that the two men have always been somewhat at odds in their striving for the same goal. They are somewhat at odds over the O'Leary Report—not so much because of past personal strain, but rather because Diefenbaker is less of a true Tory than the publisher of the *Ottawa Journal*.

All of this is clear when we consider two matters relating to O'Leary's mandate as a Royal Commissioner. O'Leary actually wanted a vastly more comprehensive field of inquiry. That is the broader aspect of the story. The more specific one is that he wanted to do something about the problem of our newsstands, flooded as they are with U.S. junk. On both levels he was frustrated, as we shall see.

In the O'Leary Report a true Tory principle is stated in simple majesty: "That a nation's domestic advertising expenditures should be devoted to the support of its own media of communications." (Another one was "That a nation's communications media must be aware of their responsibilities and that such media should not be used merely for the republication of editorial matter to support an advertising structure".)

Such a principle is the 20th-century Tory voice reflecting a concept which would be readily understood by a Tudor—were he able to be transported to the age of million-copy runs and ultra-high-frequency television. On the other hand, O'Leary is enough of an internationalist—in this age of world awareness—to see that the principle requires at least one exception.

It is implicit, elsewhere in the Report, that O'Leary would never object to the use of domestic advertising expenditures to support international journals such as those found in the realm of scholarship. But O'Leary would define international journals as those based on true co-operation by many countries—not those superficial internationals geared to the political and profit motives of New Yorkers.

But wait a minute! O'Leary's job was to inquire into the *periodical industry*. And the true Tory principle which we have noted above is expressed in much broader terms than that.

Here we have the most explicit indication of the fact that O'Leary wanted, not a Royal Commission on Periodicals, but rather a Royal Commission to Find Means of Implementing the Principle that Domestic Advertising Expenditures be Devoted to the Na-





British Canada's First Unofficial Coin ...



After Canada was ceded to Great Britain in 1763, little effort was made to supply North American currency. In 1815, Sir Isaac Coffin, holder from Great Britain of the freehold of the Magdalen Islands, issued his own copper pennies—the first unofficial coins circulated in British Canada.

Canada's First Real Money

Canada's first real money, in the form of bank notes, was issued by the Bank of Montreal—Canada's first bank—when it opened its doors for business on November 3, 1817. With the passing of the Currency Act in 1841, B of M coins became recognized legal tender of Canada.



BANK OF MONTREAL
Canada's First Bank

SD274

tion's Communications Media. For the plain fact of the matter is that the principle applies equally well to other branches of the communications industry.

More specifically, the same principle applies to broadcasting. At present, an increasing number of Canadian subsidiaries of U.S. corporations are relying on overflow TV advertising.

New techniques — such as satellite reflectors — and new border stations will shortly enable the bulk of the Canadian market to be reached directly from the U.S. O'Leary wanted to extend his study to include these developments. Diefenbaker would not let him.

Wild gossip in Ottawa gives the reason this way: that Diefenbaker — a showman like O'Leary — plans to use this grievance as one of his own pet planks in any possible future program of Canadianism. There may be something to the story but it is more reasonable to dismiss it as highly improbable. Diefenbaker, the politician, is not as motivated by Tory principles as O'Leary — and he senses that the Canadian electorate is not true Tory either.

The periodical industry's problems are so glaring that even Diefenbaker could not ignore them. But he has no intention of raising a great U.S. outcry for reasons of principle. On the contrary, the pressure of Luce alone seems to have been strong enough to pigeon-hole most of the O'Leary Report itself. Thus, we can hardly see Diefenbaker extending the O'Leary principle into other fields. In short, the Report was O'Leary's only opportunity to hint at what he really wanted.

Turning to the matter more specifically related to the periodical industry, the internal evidence of the Report shows quite clearly that O'Leary really wanted to do something about the American junk (i.e., excluding quality monthlies but including such dangerous trash as the "male action" magazines with their glorification of sadism and masochism) which floods our newsstands.

In this field, the true Tory tradition stands for measures of discouragement. Since the Bill of Rights of 1689, Tories have been converted to the principle of freedom of the press. But it is one thing to allow such freedom, and another literally to encourage the perversion of the public mind.

The true Tory says: "if people are determined to read junk, then we must let them—but we don't have to make it easy for them".

Now at page 102, volume 28 of the Royal Commission's transcript of hearings we find a brief including these words: ". . . we have noted that few participants seem willing to publicly

propose forthright large-scale measures . . . These could include such steps as . . . the banning of newsstand sales of such periodicals. While such large-scale measures are possible it is also true that considerable political controversy would arise . . ."

The true Tory would say, if he had the nerve to admit it publicly, that we should build a tariff wall to keep foreign junk off the newsstands. At the same time, to preserve the freedom of self-perversion, we would allow such periodicals to be bought by Canadians —but only by subscriptions initiated at the express request of the purchasers.

Is this what O'Leary really wanted? Recent gossip has it that he did. There is some evidence to support this theory, bearing in mind the manner in which O'Leary conducted his hearings and wrote his Report. Whenever he came across extravagant statements — including anti-Americanism merely for the sake of ultra-nationalism—he was quick to jump on them and eschew them.

Time and time again he refuted them in his Report. But when the above statement was made he listened with quiet consideration — and carefully avoided any mention of the topic in the many pages which he devoted to circulation problems in his Report.

Yet when we look at his final recommendations, we find that six of them relate directly or indirectly to the tariff:

- "That the entry into Canada from abroad of a periodical containing domestic advertising be excluded under Schedule C of the Customs Tariff . . ."
- "That existing Canadian legislation be strictly enforced against illegal or fraudulent claims contained in overflow advertising circulating in Canada, and made on behalf of goods or services available in Canada."
- "That catalogues entering Canada from abroad be subject to the same taxes and duties as other printed advertising matter."
- "That paragraph 5 of Tariff Item 178 be repealed" (This item allows duty-free entry of matter used in direct-mail subscription promotions).
- "That the privilege of business reply cards and envelopes be extended only when the promotional material which they accompany is prepared and mailed in Canada."
- "That the Marking of Imported Goods Order and the tariff items with which it is associated be strictly and realistically enforced."

The full implementation of these recommendations would do much to cut down on the amount of junk reaching our newsstands. This is the closest which true-Tory O'Leary could come to acknowledging the principle outlined above without raising that "considerable political controversy" to fever pitch.

Books



Henry Miller: He is happy.

ACCORDING TO GEORGE ORWELL's memorable essay "Inside the Whale," Henry Miller's novel *Tropic of Cancer* was first published in 1935. Karl Shapiro's introduction to the Grove Press edition—the first to be published in Miller's native America, and dated 1961—gives the year of the original Paris edition as 1934. Clearly there is something legendary about an author whose chronology is already being honored with such inaccuracies.

The fate in Canada of the Grove Press edition of *Tropic of Cancer*, a best seller in our neighbor republic at \$7.50 a copy, is bound to become part of the legend. Intimidated, perhaps, by the Quebec Superior Court's decision that *Lady Chatterley's Lover* is obscene, Grove's Canadian distributor decided not to take the risk of importing Miller's book.

Yet at least one public library in Canada is now circulating it and resisting the demands of customs officials to surrender its four copies. Chief Librarian Harry Campbell of Toronto is to be congratulated for holding out against the hidden censors who have apparently placed the book on their secret index of contraband works.

Like most of my contemporaries equipped with the necessary curiosity and dirty minds, I first read *Tropic of Cancer* years ago. I picked up my copy in Port Said or Cairo or some such oriental sink of occidental iniquity, along with the obligatory bottle of Spanish fly, and my own personal packet of French photos, very French, very "disgusting".

by Kildare Dobbs

Topical Tropic

I shall always remember that book with affection because it was the only thing I ever bought in those regions which wasn't a fraud. The Spanish fly (need I say?) was a complete swindle: the only person it seemed to have any effect on was the boatswain of my ship, and as he was at all times in a state of permanent rut it was by no means certain that this time it was the drug that had got him steamed up. As for the French photos, I do not have to tell travelled and sophisticated readers that they turned out to be views of the harbor.

But *Tropic of Cancer*, Miller's leprous, volatile, hilarious bible of anarchy, was no fraud. It was more than money's worth. It really was what its vendor claimed. It really was a dirty book. And that particular edition, no doubt pirated and printed on antique machines by compositors to whom English was a foreign language, was rendered the more charming by the corruptness (bibliographically speaking) of its text.

It was one of those printing jobs in which the familiar four-letter words are set up with their four letters in the wrong order. The results were often amazing, giving a peculiar weirdness and density to the surrealist fog with which the author had surrounded much of the action. I remember one such word, the transposition of whose letters spelt out the name of that ancient British monarch who rebuked the flattery of his courtiers by getting his feet wet.

I had always wondered what was meant by unprintable language and now I knew.

Re-reading the novel in its new and flawless format, I am once more delighted by it. I still say it's a dirty book. I intend no disrespect. It's funny-dirty, not dirty-dirty. Much of its wild humor comes from its comic view of sex.

The characteristic folly of our age is the solemn religiosity, the gooey senti-

mentality with which we view sex. You have only to think of all those nice English top people — professors and bishops and social workers — falling over each other in their eagerness to defend D. H. Lawrence on the ground of his beautiful reverence for sex, to see what I mean. In the context of this damp and boring religion of sex, jokes about it excite the riotous mirth of laughter in church.

This is of course the great difference between Lawrence and Miller. Describing the sexual crisis Lawrence weighs in with *vox humana*, birdsong and nature notes. Miller sounds a raspberry or rings up the cash-register.

But there is more than the comic view of sex in *Tropic of Cancer*. An autobiographical novel, it records with utter candor and often with anguish Miller's own life in the Paris of the depression years, a down-and-out American's Paris of no-good writers and talentless artists, with nothing more to convince them of their genius but poverty and the grotesque company of whores and crooks in which they miserably existed.

"I have no money, no resources, no hopes. I am the happiest man alive," wrote Miller. And it is true. He is happy.

He is happy because he accepts the world as it is, he swallows it whole, horns and all as a python swallows a goat, not with the groan of resignation or the smirk of "adjustment", but with gaiety and ferocious joy, with almost the tone of Job who, in another idiom, was able to say, "The Lord gave and the Lord hath taken away: blessed be the name of the Lord." Orwell has shown how in this respect Miller is close to Walt Whitman, whom he also resembles in his unmistakeable American-ness.

Less obvious is his affinity with the tradition of confession-writing. Yet there are passages in *Tropic of Cancer*

**TWO
NOBLE
WAYS**
*to
finish
dinner
with a
flourish*

La Grande Liqueur Française

Bénédictine

The after-dinner liqueur
made for over 400 years
at Fécamp, France.



which remind one strongly of De Quincey's *Confessions of an English Opium Eater*, a book which reflects an experience not unlike Miller's, the descent into a purgatory of hunger and poverty and loneliness in the streets of London in the years 1802-1803.

"My world of human beings had perished; I was utterly alone in the world and for friends I had the streets, and the streets spoke to me in that sad bitter language compounded of human misery yearning, regret, failure, wasted effort.

"Passing under the viaduct along the rue Broca, one night after I had been informed that Mona was ill and starving, I suddenly recalled that it was here in the squalor and gloom of this sunken street, terrorized perhaps by a premonition of the future, that Mona clung to me and with a quivering voice begged me to promise that I would never leave her, never, no matter what happened. . . . I can stand here and smile vacantly, and no matter how fervid my prayers, no matter how desperate my longing, there is an ocean between us; there she will stay and starve, and here I shall walk from one street to the next, the hot tears scalding my face."

That is from Miller, not De Quincey.

Not only is the passage remarkable for being quotable in full without fear of blue pencil. It echoes in its tone and rhythms, and even in a number of its phrases and images, a paragraph in which De Quincey describes a dream of his sufferings in London, a dream in which he once more encounters Anne, the young prostitute he had loved and lost: ". . . her eyes were streaming with tears . . . I perceived vapors rolling between us . . . and in the twinkling of an eye, I was far away from mountains, and by lamp-light in Oxford Street, walking again with Anne—just as we had walked seventeen years before, when we were both children."

Now, I may be laboring this comparison, but I don't think it should be overlooked. Neither Orwell nor Shapiro seems to be aware of it.

The limitations of Miller's book are fairly obvious. Although Orwell believes that Miller, if he wished to, could write just as well about working, marrying, raising children, as he does about boozing, whoring, starving and scrounging, I think it's unlikely. And the things that Miller can't, or at all events doesn't write about, are surely central topics of human concern.

It is true that the literature of the bum has thrown up some great novels, especially in America. But novels like *Huckleberry Finn*, though they present the bum's eye view with shocking force, concern themselves with the whole of life; they criticise their world with strenuously intelligent consistency.

Miller is no more consistent than Whitman. ("Do I contradict myself? Very well then, I contradict myself.") His intelligence is too relaxed to control his experience. His mind is a sewer, accepting all that flows into it, content simply to let it flow.

Shapiro, whose excited introduction is sometimes illuminating and often silly, seems to see Miller as the anarchic enemy of history and tradition. "Scrap the past instantly," he quotes. But against that can be set the concluding paragraphs of the very novel he is introducing. Miller is staring at the Seine:

"The sun is setting. I feel this river flowing through me — its past, its ancient soil, the changing climate. The hills gently girdle it about: its course is fixed."

Tropic of Cancer, by Henry Miller —
Grove Press — \$7.50.

Wise and Waspish

THE SYSTEM of education largely inaugurated on this continent by philosopher John Dewey has now been under indignant criticism for more than a generation. But it has never suffered from so fierce and sweeping an attack as the one recently launched by author Lucie Street in *Spoil the Child*.

Most assailants of the Dewey theory attack it on the ground that it has produced indiscipline and illiteracy. Author Street goes further and contends that it is responsible for most of the problems of Western civilization, from juvenile delinquency to the decline in faith and morals.

She does not, however, fasten the entire blame on Professor Dewey, whom she appears to regard as a sort of Sorcerer's Apprentice creating havoc in the vast workshop of the USA. Her examination, which is both an indictment and an historical survey, traces the trouble back through the theories of such venerated educational figures as Pestalozzi, Froebel and Madame Montessori to the original child-and-nature worshippers, Jean-Jacques Rousseau and William Wordsworth. The result is a book that is scholarly, formidably conservative, and distinctly waspish.

A school manager and school governor, the author prescribes as a cure for our present ills a rigidly disciplined return to the Three R's, to which she would add a fourth: Religion. Since her experience is wide and her educational background distinguished this angry little book makes disturbing and impressive reading. M.L.R.

Spoil the Child, by Lucie Street — Den — \$4.25.

Action Stations

J. B. PRIESTLEY has produced an astonishing variety of novels, essays, plays and criticism and the quality has been almost as varied as the output. This year he has chosen to follow the erudite *Literature and Western Man* with a thriller *Saturn Over the Water*.

It is the story of a young painter who promises, at the death bed of a cousin, to find her scientist husband mysteriously missing from a research institute in Peru. This involves a struggle with one of those rich, powerful and misguided organizations — so handy for thriller writers — whose aim is no less than to take over the world. The battle is fought out in the modern idiom with fast cars, faster women, drugs, psychiatry and all the other accoutrements of criminal high life.

Priestley is too experienced and competent a literary craftsman to write a dull book and this one is generally exciting. However the best thriller writers are setting a pretty high standard nowadays and Priestley can hardly expect that this one book will make his reputation overnight — if such was his aim. The improbable coincidence is used too often to keep the action moving; the final episode is unconvincing and hardly serves as the climax it is intended to be.

If the author intends to follow up his initial reconnaissance into this new field he could profit from a study of the controlled sense of pace generated, above all, by Ian Fleming. R.T.C.W.

Saturn Over the Water, by J. B. Priestley — British Book Service — \$4.50.

Woolsack Gathering

THE LORD CHANCELLOR of England occupies the second highest position held by a subject of the Crown. In a country which prides itself on the remoteness of its judiciary from politics he is that dangerous anomaly, a lawyer-politician who combines judicial, legislative and executive functions.

When he sits on the woolsack as chairman of the House of Lords he is not, like Mr. Speaker in the Commons, obliged to be impartial and give objective rulings. He takes part in the debates but does not control the proceedings.

Lord Russell of Liverpool, a distinguished member of the English bar, offers brief biographies of 13 Lords Chancellor from Judge Jeffreys (of the Bloody Assizes) to Lord Birkenhead. Though Lord Russell, in his rambling clubman's way, intends nothing of the sort, his book can't help but

point up some of the dangers of putting politicians on the bench.

"Why, vile wretch . . ." Jeffreys screamed at a witness, "Thou art a strange, prevaricating, shuffling, snivelling, lying rascal." It was his characteristic way of talking to witnesses even remotely suspected of sympathy with enemies of King James II—whose man Jeffreys was.

Even Lord Russell's most recent exemplar, F. E. Smith, who became the Earl of Birkenhead, is a sight too political for the good name of the law. It was Smith who was Carson's right-hand man during that extraordinary passage of history when the Ulster Unionists (in the name of "loyalty") illegally took up arms to oppose the will of Parliament by force, and so prevented the granting of Home Rule.

Worse, by doing so they set an example of insurrection in Ireland which led to the bloody and possibly unnecessary struggle for independence. Birkenhead is just over the river from Liverpool and Russell has many good words to say for his townie.

Laymen may dislike the flunkeyish tone of the book: lawyers will probably find Russell's descriptions of cases too sketchy. But the illustrations — reproductions of portraits of wigged and gowned woolsack-sitters — are fascinating.

K.D.

The Royal Conscience, by Lord Russell of Liverpool — British Book Service — \$5.75.

Summer Chronicle

PHYLLIS BRETT YOUNG's most recent book represents the almost total recovery of a thirteen-year-old's summer.

"Although I have chosen to change the names of people and places," the author notes in a foreword, "this is a record of actual events, people and places. Together they comprise a summertime I have relived with almost as much pleasure as was mine when it happened."

Since Mrs. Young's memories are fresh and summer-clear, it is a pleasure that the reader can share up to a point. Beyond the point it is a little difficult to adapt oneself to the excitement, the exclamatory style, and the sheer bounce of a narrative in which nothing much happens and nearly everything that does occur — the terrors, panics, triumphs and discomfitures — take place in the thirteen-year-old imagination. An admirable book for thirteen-year-olds.

M.L.R.

Anything Could Happen, by Phyllis Brett Young — Longmans, Green — \$4.50.

Elegant Books for that Special Christmas Gift

IMPERIAL PEKING

Lin Yutang captures the imperial grandeur of Peking and its 1,000 year heritage of elusive fascination. Over 100 luxurious illustrations. \$12.50

MODERN PAINTING

Art of the last 50 years is examined by *J. E. Muller* and illustrated with 110 full-colour reproductions from the work of the world's foremost artists. \$16.50

ANTIQUE FURNITURE BY NOVA SCOTIAN CRAFTSMEN

Highly prized by collectors, antiques from Nova Scotia are thoroughly and delightfully discussed by *George MacLaren*. Profusely illustrated. \$12.00

MARITIME FOLK SONGS

From secluded farms and fishing villages these old ballads were discovered and preserved by *Helen Creighton*. With Musical Transcriptions and Chord Symbols. \$10.00

HIROSHIGE

Justly celebrated as one of Japan's greatest artists, Hiroshige's work is delicately illustrated along with details of his life by *Walter Exner*. \$12.50

MIRROR OF CANADA

Superb photographs compiled by the *Royal Canadian Geographical Society* form a magnificent portrait of Canada today from coast to coast. \$8.50

EARLY CANADIAN GLASS

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Films

by Mary Lowrey Ross

Pure Hell in the Middle East

MOVIES ABOUT adolescents quite frequently sound as though they had been written by people who had made a fond study of youth and its problems but had never actually examined a living specimen.

According to this popular analysis, youth is always ardent, sensitive, and right in all its instincts. Adults on the other hand, when not actually delinquent, are so weak-minded and possessive that the average young person would be safer in the arms of Moloch than in the clutch of a loving parent.

This point of view puts both youth and the analyst in a strong position. The latter, having absorbed his Freud and thrown the book at the older generation, can then reveal his young heroes and heroines as suffering every weight and anguish that society can inflict, except perhaps a sense of responsibility for their own behavior.

This, at any rate, would appear to be the thesis of *Splendor in the Grass*, a film written by William Inge and directed by Elia Kazan, both practiced hands who must have recognized that the title, taken out of its Wordsworthian context, simply signifies a roll in the hay. The teen-age lovers (Natalie Wood and Warren Beatty) are distractedly in love but manage to stay just this side of continence, thanks to the nagging injunctions of fond but muddle-headed parents.

The strain, however, proves to be too much for them. The boy collapses with pneumonia after being separated from his true love. The girl, after losing her

lover and being almost raped by another student, attempts suicide and is packed off for two years to a mental hospital.

In the end the hero consoles himself with a waitress who has comforted him with pizza pie during one of his bleaker moments and the heroine engages herself to a patient in the therapy department, a fellow-victim of parental solicitude who confides that every time he brings down a hammer he likes to think he is hitting his father.

The era depicted here is the late Twenties, a period of rolled stockings, dancing daughters, pocket flasks and bathtub gin. To make it even more authentic, one of the dancing daughters is shown actually dispensing gin from an old-fashioned bathtub, the kind that comes on little claw feet.

Then, since this is a study of high-school love, there is even a high-school, complete with classrooms, desks, and real blackboards chalked with actual exercises. But no one learns anything in these classrooms and the teacher's one attempt at instilling Wordsworth is interrupted when the star-crossed heroine has to stagger off to the school infirmary.

The sex-sufferings, on which Elia Kazan and William Inge have lavished such impressive attention, didn't upset me very much. However I was able to work up considerable sympathy for the unfortunate adults, including the teacher who was required to put ideas into these addled young heads, the twittering mother of the girl, and the



Warren Beatty and Natalie Wood: A roll in the hay?



St. Trinian's: Twice the size.

boy's father, an obviously outrageous type who wanted his son to get a good education at Yale instead of settling down to marriage at age 18.

Sex is a pretty staggering subject to explain, especially when the youthful mind is occupied with sex to the exclusion of everything else. So, under these circumstances, are the Lake Poets. It seemed to me that the adults in *Splendor in the Grass* were doing about the best that could be expected of them.

One could only sit through *Pure Hell of St. Trinian's* wondering bleakly what has happened in recent years to British comedy. Whatever the cause of the blight, the gap between *Pure Hell*, and *The Bells of St. Trinian's* appears to be the measure.

The producers of the current *St. Trinian's* seem to have figured that by taking the original idea, blowing it up to twice its size and throwing in plenty of wild, irrelevant action, they could make it twice as funny. As might be expected, this was a miscalculation, and watching *Pure Hell of St. Trinian's* is rather like looking on while a man wrestles with a rubber raft in a rough sea; intensely uncomfortable and not at all amusing.

In the current version, the upper form of St. Trinian's is shanghaied and dispatched to the Middle East for reasons I couldn't even begin to trace. A couple of members of the Board of Education, plus a section of the Army are sent to the rescue, which increases the shambles without adding to the merriment.

About the only distinguishable figure in the melee is that of Joyce Grenfell, the indomitable Games Mistress of the original *Bells of St. Trinian's*. She lopes through the Middle East with her familiar camel's gait, but even comedienne Grenfell can't do much for the old school on this occasion. The central male comedy role is played by British character actor Cecil Parker, Alastair Sim, apparently, having very wisely decided to have business elsewhere.



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Chess

by D. M. LeDain

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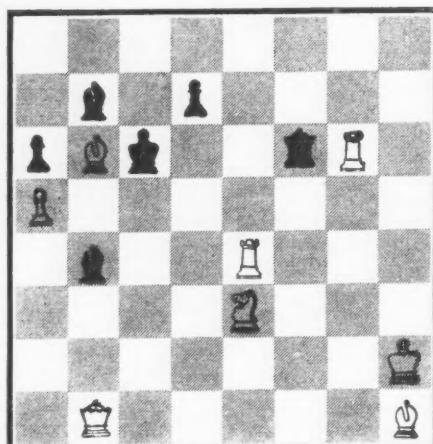
White: Vasiukov, Black: Giterman (USSR Semi-finals, 1960). 1.P-K4, P-K4; 2.Kt-KB3, Kt-QB3; 3.B-Kt5, B-B4; 4.P-B3,

P-B4; 5.P-Q4, BPxP; 6.Kt-Kt5, B-K2; 7.PxP, KtxP?; 8.Kt-K6!, Resigns.

Solution of Problem No. 283 (Mari), Key, 1.R-B5.

Problem No. 284 by E. Holladay. (1st Prize, Brit. C. F. Ty., 1959).

White mates in two moves. (8 + 6)



Puzzler

by J. A. H. Hunter

"SO THOSE are your three children," commented Kitty, looking at the big photo on the dresser. "I didn't think they would be so young."

Gwen smiled sweetly, as only a clever woman can when meeting such an attack. "They're not so very young, but maybe you forget how your own boy looked," she replied. "The boys are both in their teens, you know. Judy's younger, of course. If you add all their ages together and multiply by her age, you get the boys' ages multiplied together."

Kitty was far too confused to make anything of that. But can you figure out those three ages? (166)

Answer on Page 44.

A Labor of Love?

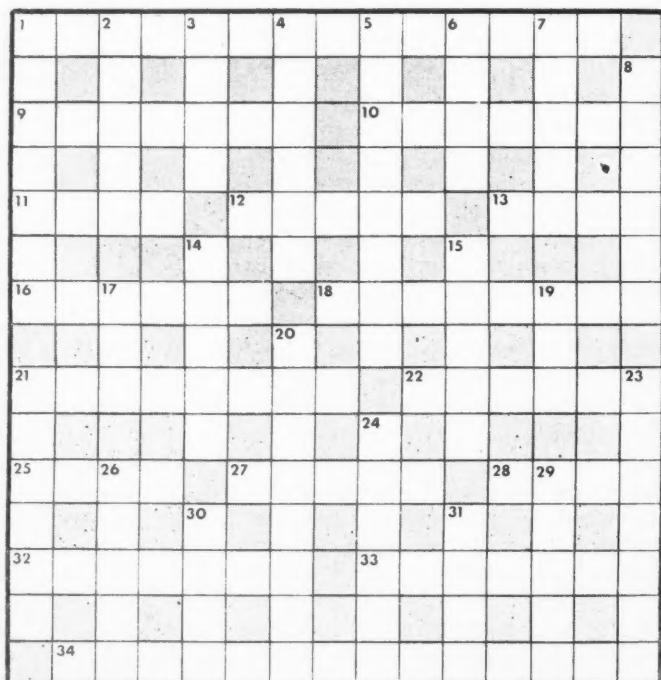
by Louis and Dorothy Crerar

ACROSS

- Though 13 parts on stage, they were 13 crossed as lovers. (5, 3, 6)
- A plaguey thing to catch. (7)
- Little Abraham got fat loving 33. (7)
- The love that makes one moo-ny? (4)
- Fowl with headgear? But certainly not a cock's-comb. (5)
- See 1A. (4)
- A small account? Naturally, with so little money one will feel stress. (6)
- Has Sault Ste. Marie been responsible for these? (8)
- To kiss, and make-up again, you'll need this. (8)
- See 34.
- The grip of evil? (4)
- Was it possible for General Smuts to ever be so? (5)
- Please be an angel and play it! (4)
- Are many people over U.N.'s shaky appearance? (7)
- See 10. (7)
- It's just for the suitor and the soldier. (4, 4, 2, 4, 3, 3)

DOWN

- Well met, Mrs. Isaac. (7)
- According to Gilbert, her lover had celebrated only five birthdays. (5)
- This is up-ended by the confessor. (4)
- Was it in the 21D, 17 Jupiter and Juno drank from? (6)
- Sometimes a lover's state of mind has a lousy ending. (8)
- In these lies Baron Munchausen's fame. (4)
- Play, with only one act. (5)
- Soared, perhaps, as one does who loves. (6)
- Insects sting? These stang! (5)
- The heart that never won the blonde? (5)
- See 21D
- And so abiding, one keeps it. (3)
- Athenian assembly appearing in Ecclesiastes. (8)
- See 4. (6, 3)
- Filled up but allowed to go inside. (7)
- One thing you should always keep on tap. (6)
- Coward was named after one. (5)
- Early in the day I leave to see my friend Juan. (5)
- Lawrence coupled them with lovers. (4)
- Heartless 27. (4)



Solution to last puzzle

ACROSS	26. Sepia	7. Erato
1. New South Wales	28. Agony	8. Mosaic
10. 18. Overnight bag	29. Ire	9. Stifle
11. Apart	30. Drift	16. Sac
12. Amy	31. Race track	18. See 10
13. Alike	32. Sub-contractor	19. Motor car
14. Aloof	DOWN	20. Reside
15. Cash sale	2. Every	21. Plastic
17. Stable	3. Sundays	23. Styptic
20. Recipe	4. Ungainly	24. Speaks
22. Corsages	5. Hotbed	25. Barren
	6. Adamant	27. Poilu
		29. Idaho (533)

Education

by J. W. Nuttall

Managers for a Big Business

PUBLIC EDUCATION in Canada is now a \$1.2 billion enterprise. It is a unique enterprise, for its success cannot be measured in terms of dollars and cents, nor by any other convenient quantitative gauge. Instead, its results must be evaluated using a more intangible yardstick—the quality of school grades.

The task of managing a school system is an exacting one. In many areas the top position in the administrative hierarchy is filled by an "academic" man, with a broad background in the field of education. But because the schools are becoming "big business," there has emerged another official who is assuming increasing responsibility. He is the business administrator.

This is the man who looks after the business affairs of the school board. He works quietly behind the scenes, frequently unnoticed by the public. But due to the nature of his work, the chief business official is usually a member of his board's top management team.

He takes a hand in planning the schools, then strives to keep them shipshape. He oversees the purchase of everything from pencils to buses, and is consequently an expert in all kinds of school equipment. He is an accountant, a secretary, a cafeteria manager, a transportation supervisor, an insurance manager, a personnel director.

As in most aspects of education, it is difficult to generalize on the role of the business official. In small boards it is a one-man job. In the larger systems, as operations become more complex, the business function may be divided among more than one person, each charged with a specific phase of business responsibility — finance, purchasing, architectural planning or maintenance, for example.

As the nation's school population continues to expand, so grow the responsibilities of the business administrator. The position now calls for a person with sound business training and experience, backed up by a good knowledge of educational practices. Certainly, not all Canadian officials have this "ideal" background, but there are definite indications that qualifications for entry into the field are tightening.

Leading business officials have long

recognized the importance of their duties and their effect on the whole educational system. It was in 1910 that the first association for business officials was formed in the United States, as a means of obtaining and circulating practical information on their duties.

Since 1924 Canadians have actively participated in the U.S. association, a fact that was recognized officially in 1951 with the formation of the *Association of School Business Officials of the United States and Canada*. Known continent-wide as ASBO, the association now has a ten per cent Canadian membership.

This fall ASBO converged on Toronto for its 47th annual meeting, the third time in its history it has come to Canada. During the convention, delegates sought answers to the many problems involved in the non-teaching areas of school management; small round-table discussion groups explored in depth a total of 39 different topics, while dozens of larger sessions afforded further opportunities for study.

As usual, a feature of this year's ASBO meeting was an extensive exhibit of the latest in school supplies and equipment. Representatives of 89 firms from all over the United States and Canada made the trek to Toronto to display their wares — ranging from cans of dill pickles to ventilating systems, from magazines to electric typewriters to lighting fixtures. Purpose of the exhibits was to give delegates an opportunity to view the newest products for schools and to make objective comparisons.

Though ASBO is the central body of school business officials, across North America there are many affiliated provincial, state and regional groups. The best-developed of the Canadian organizations is the *Ontario Association of School Business Officials*, an intent group dedicated to the improvement of standards and performance in the province.

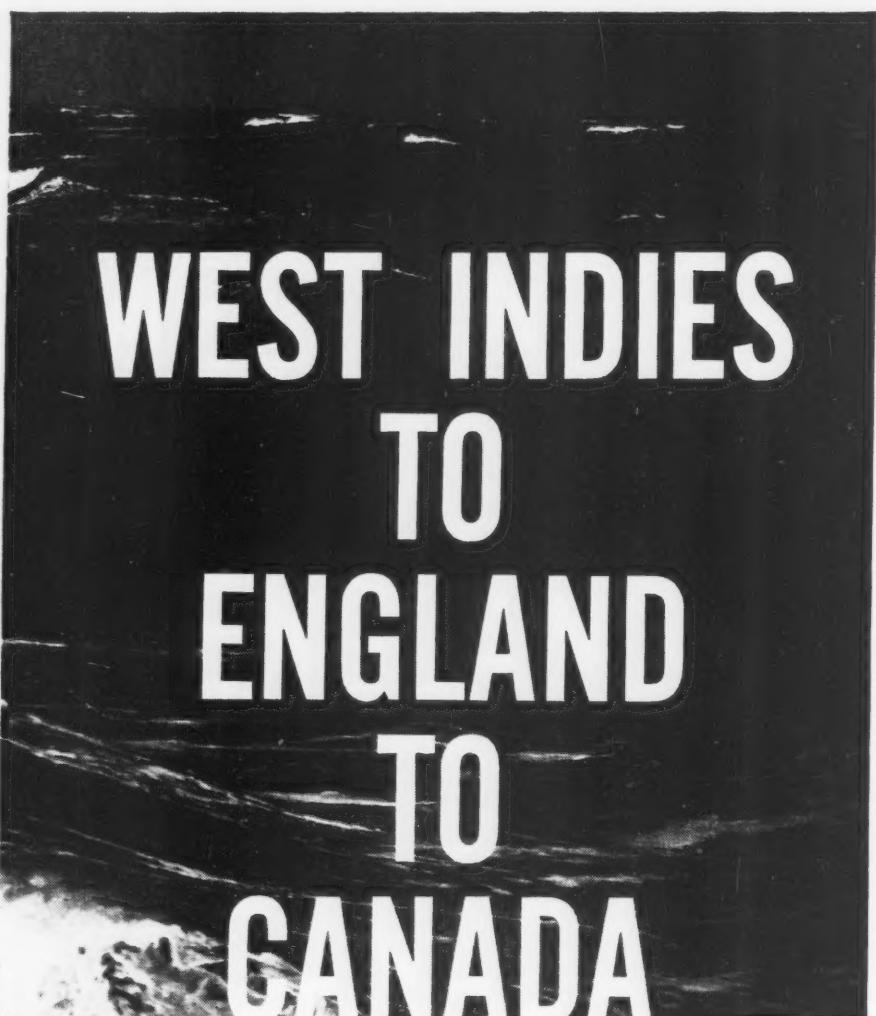
Similar associations have been formed in a few other provinces, among them British Columbia, Saskatchewan and Alberta. The recent changes in educational policy in Quebec have spurred talk of an association in that province, though nothing official has

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Across Canada there is a growing interest in the field of school business administration. And an inevitable outgrowth of this interest is now beginning to show itself — the question of professionalism and certification.

Business officials have approached the challenge of professionalism realistically. They are quite aware that it can be achieved only with high standards of preparation and performance, and they realize that it must be attained slowly and carefully.

Since 1957 ASBO has expressed official interest in certification, and the matter now has a prominent place in the association's program. The approach is twofold: to secure certification of school business officials by provincial and state authorities, and to encourage more universities and colleges to offer courses in the field.

Ontario's ASBO has already made a good deal of headway. A special Professional Development Committee, headed by R. J. McIntosh, Business Administrator of the East York Board of Education, has been investigating the matter for two years.

"We fully realize that we have to deserve professional recognition," says McIntosh. "Our challenge is first to develop adequate qualifications, then to secure official government recognition."

The first step toward establishment of qualifications was taken this fall with the inauguration of a certificate course in School Business Administration. This is a three-year correspondence course conducted by the extension department of the University of Toronto, in collaboration with the OASBO. Subjects to be studied include school law, educational practices, purchasing, school finance, accounting, and administration.

"Eventually," McIntosh points out, "we would like to see this course made compulsory for all persons entering the field of school business administration, so that school boards would be required to employ only qualified certificate-holders. It is our feeling that if the business official is to hold a responsible position in board affairs, he should have some basic qualifications."

While compulsory certification is still a long-range objective, there seems little doubt that professional recognition will eventually come to the school business official. The foremost job will be to establish top-quality university courses in the field.

And this should not be a difficult problem. It surely would be a simple matter to insert a small number of relevant courses into existing business administration courses at our universities — as options available to those wishing to specialize in school business administration.

Unions Attack New Pension Problems

by Frank Drea

THE GREAT DRIVE of Canadian workers for old-age security has created and nurtured the spectacular growth of a \$3,000 million pension plan industry. Paradoxically, it has also saddled government with two increasingly severe economic headaches.

For while the benefits of such plans are obvious, it is only in the last few years that the drawbacks of the present unco-ordinated system of pension and retirement schemes have become apparent. Particularly, the problems lie in the steady erosion of the position of the older unemployed worker and the need for mobility of a labor force in an era of sweeping technological change.

Ironically, a smaller cousin to the giant pension industry, the \$100 million-a-year welfare plan field, presents few problems to government although such programs are usually worked out hand-in-hand with retirement schemes and the spectacular growth of this industry has equalled that of pension schemes.

Despite the boom in the pension and welfare industry, its tremendous growth has gone almost unnoticed except for a scattering of government departments, banks, trust companies, insurance firms and labor unions.

Although pensions in the form of grants or allowances to retired workers have been known in Canada for generations (Hudson's Bay Co. was a pioneer), the real growth has come with the maturity of the industrial labor unions in the 1950s. In the last ten years, the number of plans has increased from 3,600 in 1950 to 12,000 last year.

The changing public attitude toward old-age security is illustrated by the growth of formal pension plans since World War I when only 172 such programs existed across Canada. By the middle of the Depression, only 428 new plans had been introduced.

The early plans were limited largely to government employees, civil servants, policemen, firemen, municipal employees and teachers. Since these occupations attracted career people, there were few problems encountered in these pioneer plans and perhaps the happy results sowed the seeds for the present difficulties as the pension business boomed.

That the big industrial unions like

the United Auto Workers, the United Steelworkers, the United Rubber Workers provided the impetus for the major breakthrough in the pension field is indicated by the report of the Ontario committee which studied pensions and brought down recommendations for a portable pension scheme earlier this year.

Pension plans now cover one-third of Ontario's 2,500,000 workers with government, public utility, finance, transportation employees virtually all protected by such schemes. Manufacturing shows half its employees enrolled in such plans. But, at the bottom of the ladder, where the word "limited" is used to describe the degree of coverage, are workers in retail trade, construction, agriculture and the fastest growing industry, the service occupations.

These statistics follow the national trend which shows approximately 40 per cent of the work force covered, another 20 per cent who do not join pension plans when put into effect and 40 per cent working for industries or employers where there is no formal plan. The variations between the two statistics are explained by the fact that the national breakdown excludes professional, self-employed and family workers—approximately 20 per cent of the total work force.

Broken down even further, the report indicates that few industrial workers employed by larger firms have no pension coverage. But the high cost of pensions (\$11,000 to supply each \$1,000 of pension for males and \$13,000 for each \$1,000 for females) has posed an increasingly difficult problem for the smaller employer.

But the surge in the pension field has brought fierce competition among the financial institutions that fund and administer such plans. Of the plans that cover two million workers in Canada, insurance companies have 18 per cent of the business. The trust companies have captured 25 per cent, the federal government annuities another nine per cent and the plans covering public service workers and teachers account for another 25 per cent. Private trustee plans have 23 per cent of the field.

But the trust companies have been

forging ahead, buttressed by a somewhat lower administrative cost and wider flexibility in investments. Insurance firms, until this year, were limited in investments and are only now able to promote common stock pension funds.

Although these facts show the growth, vitality and obvious trend for even greater expansion, they do not show the problems which have resulted from a decade of pension plans emerging from contract negotiations across Canada.

The biggest single difficulty has been the lack of portability where an employee's pension is bound up in his employment until he reaches the eligible retirement age. There are some exceptions to the general lack of portability but they affect only a small proportion of workers.

It is the lack of portability that is blamed by many authorities for the ever-increasing problem confronting older (over 35 years of age) workers when they seek new employment. When the standard retirement age was 70, age 45 marked the delineation between worker and so-called older worker. As 65 years becomes the accepted retirement age, the line drops to 40 years and with a trend toward pensions at age 60, the 35-year barrier has come into effect.

Labor spokesmen admit that pensions have brought problems—although their benefits far outweigh these. It was the labor demand for portability that spurred the Ontario Government into its exhaustive study and its resulting sweeping recommendations.

The proposed Ontario scheme is that every employer of 15 or more persons must institute a pension plan, conforming to certain basic standards, and providing a \$40 monthly pension after 20 years of service. It is vague on who will pay the bill.

The portable aspect would be ensured through the creation of a central pension agency, privately financed with representatives of labor, management and government. This agency would hold in trust or invest small pension credits for workers whose employer has ceased business or become bankrupt. It would serve as a clearing house for the reinvestment of pension credits be-

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longing to a worker who changed employers or industries.

The problem that disturbs labor experts is that a worker with a big stake in a pension plan is not interested in changing employers or changing communities. The portable pension plan would enable him to take his pension with him as he travelled from job to job, an occurrence that will become more pronounced in the age of technology.

There is nothing new or radical about such a plan since one industry, the garment field, has had such plans for years, covering male and female workers. These plans, usually self-administered by a joint labor-management committee, have enabled workers in this multi-employer industry to switch jobs with the seasonal demand while remaining under the coverage of a single pension plan.

These plans are financed by employers who contribute a percentage of total payroll. The mobility of the work force, a key item in the industry's success, has been maintained.

However, there is nothing similar in the industries that employ the bulk of the industrial work force, the auto, electric, steel and iron, mining, refining and transportation fields. A worker who moves off the assembly line of one auto manufacturer to that of a competitor simply sacrifices his pension credits as part of his move.

The fact that many people once covered by pension plans never qualify for a benefit is one of the five big shortcomings of the present system. The other drawbacks are the number of people who ignore existing pension plans and never join while eligible; the limited number of plans which place the small employer at a disadvantage, limited death benefits in present plans and the unevenness of government supervision.

The study also points out that pension plans are the biggest reason for not hiring older workers, a fact it learned from a 1953 survey by the Canadian Manufacturers' Association of 700 large member companies. Obviously, an employer faced with the choice of having to pay back credits into a pension plan for an older worker or hiring a younger one for whom no back payments will have to be made, will choose the younger one.

However, the problems that have grown with the pension industry have not affected the smaller—but just as energetic—welfare plan field, a broad term used to describe the insurance plans that protect a worker from loss of wages or savings because of illness. Although these plans generally started with unions or companies financing group life insurance plans, they have



Reuther: Labor wants to have a say.

grown into a major industry where weekly indemnities, medical and surgical insurance and other protections are included in package plans designed for large and small employers.

Murray Bulger, who heads Murray Bulger and Associates, one of the ten major Canadian firms of actuaries and consultants specializing in such plans, points out that welfare plans have become more universal than pensions and thus the problem of portability has not become a major difficulty.

"More often than not, an employee finds that his new place of employment has a plan providing coverage," he explained. "For seven or eight cents an hour, an employer can purchase a good welfare plan. The same amount of money would buy a less-than-desirable pension plan, at least in terms of retirement benefit."

It is in the welfare field that the craft unions are banding together in a trend toward at least area-wide coverage and perhaps provincial coverage for their members. These multi-employer plans would benefit the worker since a small firm cannot obtain the same rate for such benefits as a larger one.

"The big demand is for a replacement of income because of sickness," said Bulger. "Group insurance which was the first phase of the welfare package to be widely accepted is the last thing that unions inquire about. The average amount of group life has remained relatively constant, between \$1,000 and \$2,000, while the other benefits have been greatly expanded. Weekly indemnities now average around the \$45 figure and the introduction of public hospital insurance programs in most provinces have permitted welfare plans to expand their benefits into other fields."

"There is no limit to the eventual scope of welfare plan benefits," he said, "even if a public medical and surgical plan subsidized by governments is introduced. Even a public plan will not provide everyone with everything he wants in the way of medical and surgical coverage. Drugs, dental protection, oculists, and nurses are just some of the benefits that may become common if a public medical plan is introduced."

The growth of the industry is indi-

cated by the influx of U.S. companies hoping to win the business of U.S.-owned industries and movement by British firms to take advantage of the number of UK subsidiaries in Canada. However, Bulger does not expect a great expansion because of the high overhead which discourages fringe operators.

But the popularity of the welfare and health plans is indicated by the International Woodworkers of America placing their 27,000 members in the British Columbia forestry industry into a master plan in lieu of a wage settlement. Until this plan was established, the Ontario Teamsters Welfare Fund, which covers 9,000 highway freight and local truck drivers and warehousemen was the largest. But there is a push by construction unions with 20,000 members in the Toronto area to establish a welfare and hospital coverage package plan and perhaps expand it across Ontario.

Insurance companies, with one firm dominating the field, provide the coverage with the welfare consultants acting as brokers and advisors on the highly competitive bidding. But the administration of such plans, usually at a fee of 3.5 per cent, has become an intricate and complex business with the firm collecting the premiums, handling the funds, accounting the balances and providing the day-to-day operation of the plan. Many such plans now provide that unemployed workers can continue their coverage by paying directly while they are cut off from the management-paid program.

But the boom in the pension and welfare fund industry has also sparked many myths, most of them centring on the allegation that the bulk of pension and other funds negotiated by international unions wind up in the United States. This is a remnant of the early days of craft unionism when several unions set up plans for their own members for pensions and life insurance. Since the preponderance of membership was on the U.S. side of the border, the funds were invested there.

However, the new age of industrial pensions has companies usually paying the entire cost of pensions although many still resist union pressures for employers to pay the full cost of welfare. Since the Canadian trust companies enjoy the bulk of this pension business, it is reasonable to expect that most of the money remains in Canada. Economists already point out that pension plans are becoming the biggest buyers of long-term Government securities.

The trust companies note that virtually every sizeable employer keeps his pension money with a trust company



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although the figures show they have only one of every ten plans. But these plans account for \$60 of every \$100 of pension funds. The dominance of the trust companies is regarded as the cause of the current campaign by life insurance companies to introduce the common stock pension funds which may provide the breakthrough for small employers.

The common stock investments would be limited to a portion of the employers' share while the employees' share would remain in bonds or mortgages. The employee would still get a fixed pension but as the employer's share grows, he can either increase the pension or cut the amount he has to pay each year as his part of the fund.

Obviously the key to the future expansion and development of the pension industry is the introduction of the portable retirement benefit which, to ensure true labor mobility, would have to become Canada-wide. But there is also the repeated union demands that labor representatives have a say in where the pension and other benefit funds are invested.

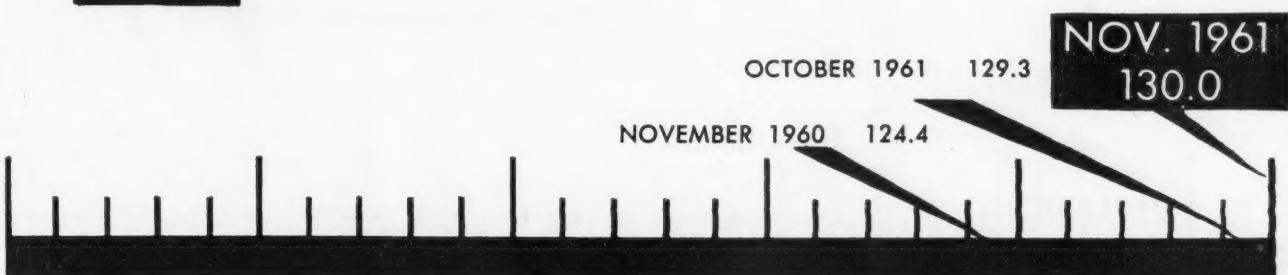
Walter Reuther of the United Auto Workers has frequently pointed out that labor should have a voice in the investment of these funds because the monies could be used to finance the projects that labor unions feel are desperately needed—as low-cost housing, old-age homes, hospitals and schools.

The reply is that since so much of the pension funds are invested in Government bonds and mortgages many of these Government-sponsored projects are already being financed by pension funds. But the AFL-CIO has set up a bureau to co-ordinate and advise on pension and welfare funds of U.S. unions, now a big business and often beyond the scope of smaller unions who cannot hire a full time expert.

Another current labor target is vesting, where the employee is entitled to the full amount contributed (both his own and the employer's share) after working a certain number of years. This has become important in the mining fields where men leaving for newer sites feel that their years of service entitled them to the full share of the pension credits, not just their own part.

But despite the work that has gone into the development of possible solutions to the existing drawbacks of pensions, little has been done on the major item, the cost of providing what the Ontario study describes as a retirement income that permits one's standard of living to bear a reasonable relationship to one's standard of living while at work. This is still the major task before any group planning a co-ordinated pension system.

Business Index for November



Indicator Table	Unit	Latest Month	Previous Month	Year Ago
Index of Industrial Production SA	► 1949 = 100	175.1	172.3	165.6
Index of Manufacturing Production SA	► 1949 = 100 \$ millions	155.0 1,434	153.6 1,384	146.8 1,362
Total Labor Income SA	► \$ millions	1,623	1,618	1,555
Consumer Price Index	► 1949 = 100 1935-39	129.2	129.1	129.4
Wholesale Price Index of Industrial Raw Materials	► = 100	247.9	247.8	238.5
Manufacturers' Inventories Owned SA	► \$ millions	4,220	4,228	4,274
Unfilled Orders in Manufacturing SA	► \$ millions	1,928	1,952	1,976
Manufacturers' Shipments SA	► \$ millions	2,024	2,027	1,978
Steel Ingot Production	► '000 tons	553	567	443
Cheques Cashed, 51 centres	► \$ millions	25,259	24,107	22,834
Housing Starts in Municipalities of 5,000 or over—SA at annual rates	► '000	93.1	82.5	64.1
Hours Worked in Manufacturing SA	► per week	40.6	41.0	40.4
Index of Common Stock Prices	► 1935-39 = 100	316.5*	321.6*	241.7
Exports, merchandise	► \$ millions	517	530	480
Imports, merchandise	► \$ millions	494	466	445

SA = seasonally adjusted figures.

Most of latest month figures are preliminary ones.

*Latest available week, and like week, one month previous.

ONE OF THE MOST reassuring economic developments is the increase in industrial production, in particular, of durable manufacturing. The move upward there has been steady in the past year, though there is still much room to grow.

The index of industrial production broke through the old high last June, on a seasonally adjusted basis. However, the index did jump about a bit in the past year, while heading generally higher. In the durable sector there has been no change in direction since November, 1960. The plodding ahead has been steady.

Don't run away with the idea that the increase has been spectacular. It has been far from that. While the overall industrial index has already posted new highs, and the non-durable sector broke through last April, the durable sector has yet to do so. The high here of 155.9 was set in January, 1960. The latest available figure, shown above, is 149.8, so there is still a way to go.

A look at new orders in durables shows that a change probably occurred in May. Seasonally adjusted figures are lacking here but year-month comparisons of dollar totals shows that a slide which started in April, 1960 was not reversed until last May. As far as new orders are

concerned there was a consistent drop month by month, comparing year-apart months. This is not as conclusive evidence as seasonally adjusted figures which would tell the same story, but going on over that period illustrates what has been happening. The reverse of this slide is, therefore, very welcome.

Housing starts, which began to sag this summer after a very brave start earlier, are coming back up. This should be a fairly good year for residential construction, with starts probably 30 per cent ahead of 1960 for the 12 month period. Our dropping jobless total is also one of the good signs today but the drop is not yet sharp enough. A greater push forward in durable manufacturing would help.

Growing export trade is being touted as a major factor in our recovery. Well, that is true to some extent and we shouldn't look a gift horse in the mouth but—. Our exports rose 4.4 per cent in dollars in the first seven months of this year compared to the like period of 1960, while imports hardly changed. Result: our heavy import surplus is being nicely shaved down. However, imports will probably jump in value in the closing months of the year due to the drop in our

dollar. Still, 1961 will turn out to be one of the best trading years in our recent history.

There was a \$66 million increase in exports in the first half of this year compared to the same period in 1960. The increase in wheat exports in that same time was \$92 million. There were also increases in newsprint wood pulp, nickel and crude oil to the tune of another \$50 million. With all these increases, how come the overall increase was just \$66 million?

Sure, sell our wheat, as we have been doing—and more newsprint and nickel, too, for that matter—but don't pretend that exports are growing because of a great growth in sales of manufactured goods. And that's where jobs are.

The big increase in production of manufactured goods for sale at home and abroad, in particular, has still to take place. Despite the welcome jump in dollars from other areas of our economy, a sizeable increase in dollars from the manufacturing area is vital to our economic health. Let's hope that the current growth indicates that this increase is on the way.

—by Maurice Hecht

(Saturday Night's Business Index is a compilation of statistical factors bearing, generally, on Canada's gross national product. It is designed to reflect pace of economic activity. The base 100 is drawn from 1955 data).

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Hees Bonds

I hold some bonds in George H. Hees Co. I understand they have been taken over by the Great West. Could you give me some information?—M.M., Calgary.

Control was acquired by Great West Saddlery in 1958. The Hees firm has been in difficulties for some time. There have been continuing efforts to pump money into the company or in some way resolve the problem of a shortage of working capital.

Late last year an attempt was initiated to sell its operating assets to outside interests and leave the Hees firm as a real estate holding company. This plan was strongly opposed by the bondholders and eventually was withdrawn.

Price of the bonds in the over-the-counter bond market reflects the sad state of affairs in Hees. The 5 1/4 per cent bonds which are the first mortgage are somewhere around \$43 for every \$100-worth.

The higher-interest 5 1/2 per cent issue which ranks behind the first mortgage issue are around \$20 for every \$100 of face value. Both these prices are described as "subject" by the traders. This indicates considerable difficulty in selling them at the prices mentioned.

Beaver Lumber

What is the future of Beaver Lumber? Do you recommend it as a good investment stock?—R.E.M., Ottawa.

This is an aggressive retailing organization that has been expanding steadily in recent years, taking advantage of the do-it-yourself craze as well as looking after the lumber and hardware needs of industry in more remote areas.

Much of its strength and fame probably comes from the fact that it started off as a combination of small-town lumber operations and has long been well-known outside the larger centres. There are some 275 outlets scattered from British Columbia to Ontario, making Beaver Lumber a nationwide supermarket chain of hardware and building supplies.

As a leader in this type of merchandising in its particular field, the company could logically be expected to grow with any basic growth in retailing in Canada.

The common shares have been re-

flecting increasing investor interest in Beaver Lumber's affairs. Generally, the company doesn't seem to be too well known among eastern Canadian investors. Although Beaver Lumber has been listed on the Winnipeg Stock Exchange since 1936, it didn't come onto the much bigger Toronto board until 1955.

The company has outstanding class A and preferred shares as well as common, does not have any funded debt. The Class A gets \$1 annual dividend.

We'll stick to the common here. The common has been paying \$1.25, consisting of \$1 on a regular basis and 25 cent extras in each of the last few years. At the present market price of about \$26, that indicates a 5 per cent yield—not bad in terms of yields generally available on Canadian industrial shares.

The dividend seems well covered by earnings which were reported at equal to \$2.35 a share in 1960. However, this \$2.35 included a non-recurring profit of \$500,000.

This \$500,000 would be about equal to 60 cents a share, leaving some \$1.75 for the common. Thus price-earnings ratio could be calculated at 1:13, also not bad in terms of ratios on other common stocks in what could be considered generally high stock market levels. It will be interesting to see what's reported this year, during a period of generally rising retail sales in Canada but increasing competition throughout.

Beaver Lumber common shares have been creeping ahead. This year they traded between a high of \$27 and a low of \$21 with the high coming recently.

It seems to be worth looking at fairly carefully as an investment with considerable growth possibilities.

"Guaranteed"

Have seldom noted any comments on Guaranteed Trust or Investment Certificates as an attractive type of investment. Where else can a person invest as little as \$100, have a hundred cents on the dollar returnable guarantee on principal, plus a guaranteed attractive interest rate for a stated period of time? —A.L.S., Richmond Hill.

Quite a good idea under the right circumstances. These are a rapidly growing means of raising and investing



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Simpson's

Dividend Notice

NOTICE is hereby given that a Dividend of twenty cents (20c) per share on the outstanding Common Shares of Simpsons, Limited has been declared payable December 15, 1961 to shareholders of record at the close of business on November 15, 1961.

By order of the Board.

K. W. Kernaghan,
Secretary

Toronto, October 20, 1961

money. They can be worth looking into to the individual seeking safety and interest.

But, there is an important caution. And that's in the stock-pushers favorite word — "guarantee." What is the guarantee? The definition we like is — a guarantee is only as good as the one who gives it.

The people selling these "guaranteed" certificates are going to use your money for some purpose designed to earn more than they have to pay you. In the process they'll be taking a risk (probably in real estate mortgages) but will be counting on their business acumen to keep them on the right and profitable side.

We'll bet, and it's been becoming noticeable, that guaranteed investment certificates will soon be pushed by every organization that gets a chance. Not all trust companies or mortgage companies are of the same calibre. And there'll probably be many certificates sold where the guarantee turns out to be of about the same calibre as Castro's undertaking to pay up on the bonds he's giving as payment for expropriated businesses.

Don't let the word guarantee fool you. Look behind it, always.

Northern Quebec

What are the possibilities for Northern Quebec Power? — J.M., Toronto.

This company is a small utility supplying power to communities in northwestern Quebec. To a considerable degree, its fortunes would depend on the growth of the mining industry in this area.

And, fortunately, the prospects look good. Northwestern Quebec is in the midst of a rolling mining boom involving the opening of new mines in the company's existing area as well as in more remote locations where it could not benefit directly. The indirect benefit of Mattagami Lake and Chibougamau comes from the general upsurge in activity and overall business in northwestern Quebec.

Vital to Northern Quebec Power is the activity in the Noranda-Val d'Or area where mining exploration teams seem to be concentrating these days as a result of some new discoveries. You've probably heard of Lake Dufault Mines—the 38-cent stock that went to over \$7.

From an investor's standpoint, the key consideration in Northern Quebec Power probably would be its yield as a utility. This year, dividend rate was increased to \$1.80 annually, making an almost 5.5 per cent return on shares now trading around \$33.

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THE ROYAL BANK OF CANADA

Dividend No. 297 and Bonus

Notice is hereby given that a dividend at the rate of **fifty-five cents per share** for the current quarter, and a **bonus of thirty cents per share** for the year ending November 30, 1961, upon the paid-up capital stock of this bank have been declared payable at the bank and its branches on and after Friday, the 1st day of December, 1961, to shareholders of record at the close of business on the 31st day of October, 1961.

By Order of the Board.

C. B. NEAPOLE,
General Manager.

Montreal, Que.,
October 20, 1961.



THE SHAWINIGAN WATER AND POWER COMPANY

A dividend of fifty cents (50c) per share on the Series "A" 4% cumulative Redeemable Preferred Shares and a dividend of fifty-six and one quarter cents (56 1/4c) on the Series "B" 4 1/2% Cumulative Redeemable Preferred Shares of the Company have been declared for the quarter ending December 31, 1961 payable January 2, 1962 to shareholders of record December 1, 1961.

R. R. MERIFIELD,
Secretary.

Montreal, October 23, 1961.

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dividend payout, have come up from around \$26. At that, a better than 5 per cent yield looks fairly attractive, especially since Northern Quebec has earned less than \$2.20 a share only once since 1952.

There is one little point that can become a Sword of Damocles in the present climate affecting electric power utilities.

That is the expropriation of the private utility in British Columbia by the British Columbia government. Northern Quebec, and other private utilities, are sitting ducks for politicians.

This is just a coincidence, but Northern Quebec is controlled by Power Corp. of Canada which also had a large interest in the British Columbia fuss.

It's said that lightning doesn't strike twice etc. . . . Who knows?

Another factor to consider is that the company isn't too well-known among investors. It has only 212,000 shares issued. Since being listed in 1955, the shares have shown little life. They've traded between a low of \$20.50 in 1957 and a high of \$35.50 which occurred in 1956.

Aumaque Gold

What is the status of Aumaque Gold Mines? What was outcome of drive from East Sullivan to Aumaque boundary on 3,600 ft. level? — P.S., Kingston, Jamaica.

Some minor encouragement in the drive and further work has been reported planned. It wasn't anything to write home about.

Aumaque now is looking at a different venture. An option has been taken on an old silver property in British Columbia. Old workings will be drilled with the hope that there may be enough ore to justify a small mill. The shares trade around eight cents.

Mixed Bag

What is your opinion of my "no-goods" — Queenston Mining, (formerly Murphy Gold), McKenzie Red River Oil, O'Connor Gold Mines, Kenland Mines, Ypres Cadillac? — J.M., Toronto.

Queenston is still around, trades around 15 cents and is controlled by Upper Canada Mines. Might note that Queenston has an interest in Bankeno Mines which, in turn, has an interest in that well being drilled on an island in the Arctic. Could be some action if the well clicks.

Can't find McKenzie Red River Oil and O'Connor. Kenland gave up the ghost years ago but if you are a holder of Kenland bonds you should get in

touch with Chartered Trust Co., Toronto. There may be something kicking around for you.

Ypres Cadillac disappeared a couple of years ago. Charter has been cancelled.

International Power

Do you consider Canadian International Power preferred a dubious hold or does it have possibilities?—R.P.F., Montreal.

No particular possibilities other than continuance of payment of dividends and eventual redemption at par. While the company controls an organization which operates through Latin America, it doesn't seem to be in any particular danger of major takeovers which would put it out of the electric business.

It's not a very exciting stock, but on the other hand it won't give you any big worries.

In Brief

Has there been any development at Peel Resources in British Columbia?—G.W., Belleville.

They were talking about doing some drilling on their copper prospect in the Merritt area. But the stock is down at its low for the year at around 15 cents.

Our broker doesn't seem to be able to sell Alcourt Mines. We bought them years ago at 50 cents and were promised early and big returns on our money. What is their value? What should we do?—R.T., Bruce.

All readers, take good note and learn a lesson. Promises, promises. They're a dime-a-dozen in the speculative mining field. You don't have any choice. You have to sit and wait—and hope.

Is there any point in hanging onto Barbi Lake Mines?—R.F., Brampton.

Is there anything else you can do? These shares were quoted over-the-counter at two cents to four cents.

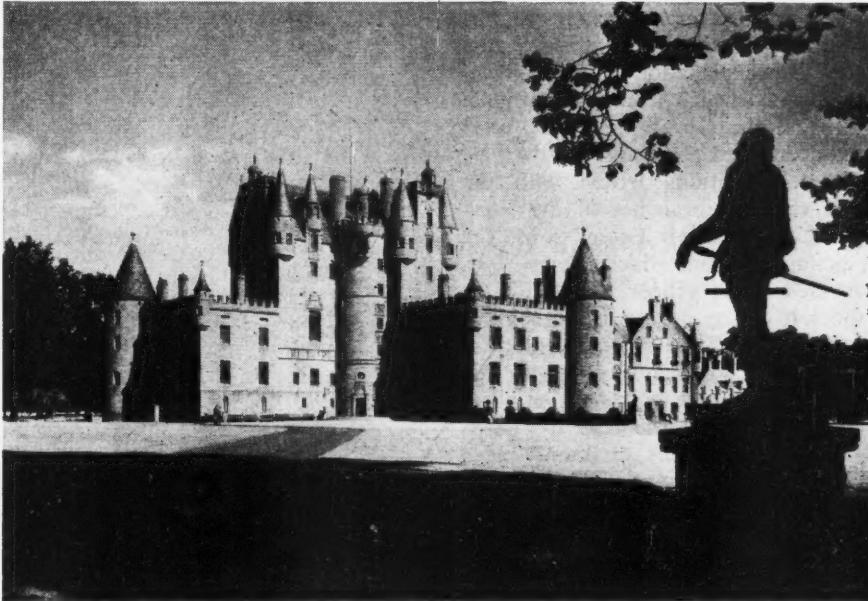
What can you tell me about Lyndhurst Mining?—D.S., Montreal.

It's reviving. Work is resuming on its property in the Noranda area. They're taking another look on the ground and maybe will drill. Whatever is done will likely depend on how much excitement Lake Dufault Mines can generate among speculators. The Lake Dufault discovery sparked many plans for fresh looks at old properties. The Lyndhurst property already has a 700-ft. shaft and five levels.

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Point of View

Wanted: Hard Facts on National Defence

by John Gellner

TO SAY THAT the Department of National Defence has a bad press in Canada is an understatement. To say that thoughtful Canadians look generally at our defence policies—or what they believe are our defence policies—with puzzlement, and at times with annoyed distrust, is putting it mildly.

A Government which is so obviously anxious to create a favorable image of itself is doing a very bad public relations job when it comes to explaining why it spends approximately \$1,700 million a year the way it does. Yet a pretty good explanation could be given, certainly one which would satisfy most citizens, if the Government only went about it in the right manner.

There is nothing wrong with the public relations branches of the Services. That of the Air Force, to use for an example the one which I know best, is headed by an officer who could get a top job in any agency of mass communication in Canada if he wanted to.

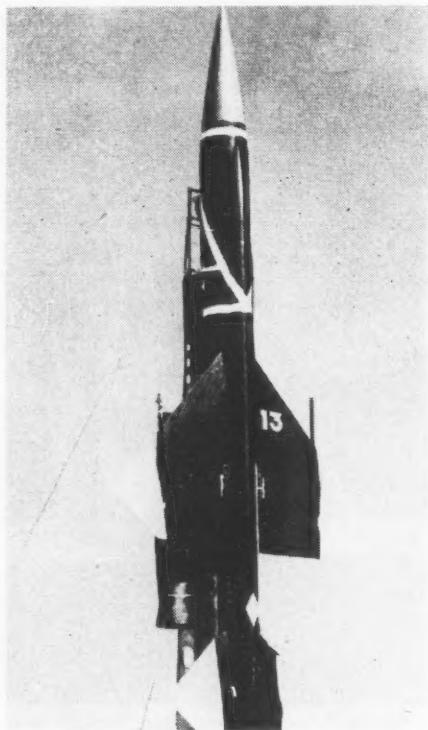
The trouble is that the Service PR staffs can distribute only such information as is given to them by the heads of their Departments, and only at a time when it is given to them. As a consequence, much of what they produce is of the innocuous, sweet-homely type — Sergeant Snooks played Santa Claus to the French children in Oiseau-Triple-Sec.

Or it is a reproduction of authoritative statements which, before they ever reach the PR people, are so carefully revised by so many officials who have no idea of how to inform the public, that in the end they tell little or nothing in bone-dry style. They often come out too late on top of it all.

A glaring instance of this strange ineptitude when it comes to informing the public on defence matters was (and still is) the handling of the issue of nuclear weapons for Canada. This is undoubtedly a knotty problem. Still, a decision to have nuclear arms could be supported by acceptable, logical argument. So could be a decision not to have them.

Neither is being done. People are left uninformed or misinformed, and consequently utterly confused. As a result we have the emotional public campaigns which now actually hamper the Government in arriving at a reasonable policy in this matter.

If one searches for the reason for



Bomarc: Logic either way.

the public relations failure in the field of national defence, one arrives inevitably at the salient one, which is that military matters are as a rule presented to Canadians by the wrong people, wrong because they do not know enough about them and because they would not be taken for experts even if they did know a lot.

Those who could speak with authority, the professional military men, are completely muzzled in Canada. It was not always so, and it is difficult

ANSWER TO PUZZLER

6, 14 and 15 years.

to understand why it should be so now.

A few years ago, under Brooke Claxton, who, I am sure, will be long remembered as Canada's outstanding Defence Minister, serving officers were actually encouraged to speak to civilian audiences. This did not mean that professional military men were allowed to shoot off their mouths as they pleased.

What was approved were sober and impartial presentations of relevant facts, which citizens are entitled to hear, and hear from the best authority. There was no change of policy under Ralph Campney, but then, in 1957, the doors were slammed on this kind of expert information for the public.

This happened, probably not because the Government had changed, but because General Pearkes had become Minister of Defence. This worthy old soldier, who in a way was Canada's Duke of Cambridge, was imbued with the conception of the professional soldier generally accepted 30 and 40 years ago—and this did not include public utterances, or indeed intellectual pursuits, on the part of serving officers.

What is more difficult to understand is why the same policy is continued under Douglas Harkness, a progressive and astute man, who must see that this sort of muzzling is unfair to the Canadian public as it is harmful to Government.

Not long ago, a respected Canadian publication (and, incidentally, one generally sympathetic to the Progressive-Conservatives) said about another puzzling, because unexplained, switch in Canadian military policy: "Oh well, it's only a few hundred million dollars again for what is jokingly referred to as defence".

Such attitude of weary indifference need not persist if the public were treated as a body of adults in defence matters, and this means that it must be informed, in a manner acceptable to adults, by experts whom adults will recognize as such and to whom they will thus listen—the high ranking service officers.

The Great Computer Tamer

Meet Bill Allswright, a man who has spent some years mastering a super brain. He is typical of the new breed of young Canadians — the computer-tamers.

Allswright and his "Tic-tac-toe 1000" are an unbeatable team. Together, they schedule highly complicated production programs for a multi-million dollar corporation. Any error would be costly . . . but they're never wrong.

Allswright's private life is well-ordered too . . . except for one thing . . . he has never finished his Christmas gift buying in time!

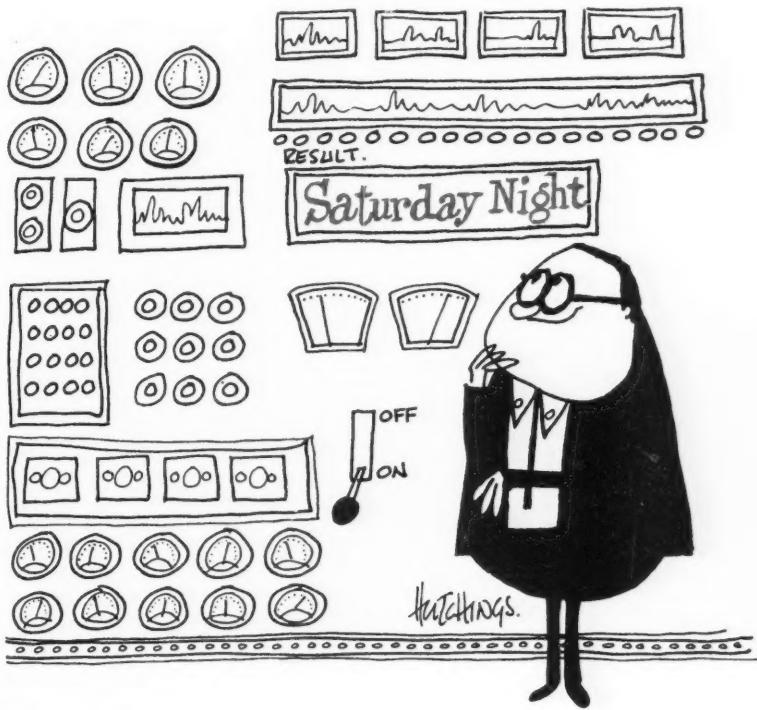
This year, however, will be different. He fed the problem to the brain and it came back with: . . . SEND SATURDAY NIGHT GIFT SUBSCRIPTIONS NOW . . .

Being a subscriber to Saturday Night himself (naturally), Allswright thoroughly agreed with his "friend's" recommendation.

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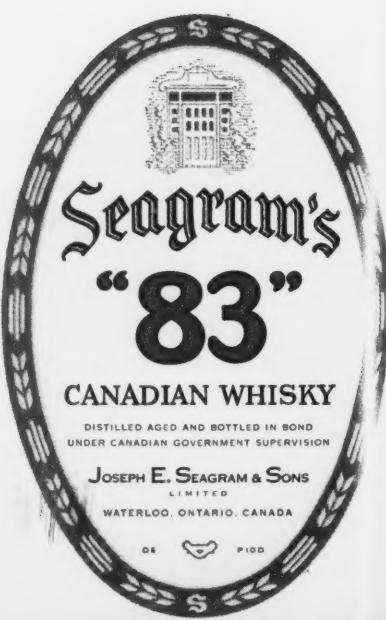
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